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PUBLIC EMPLOYEES RETIREMENT

TEACHERS RETIREMENT

ANNUAL

FINANCIAL

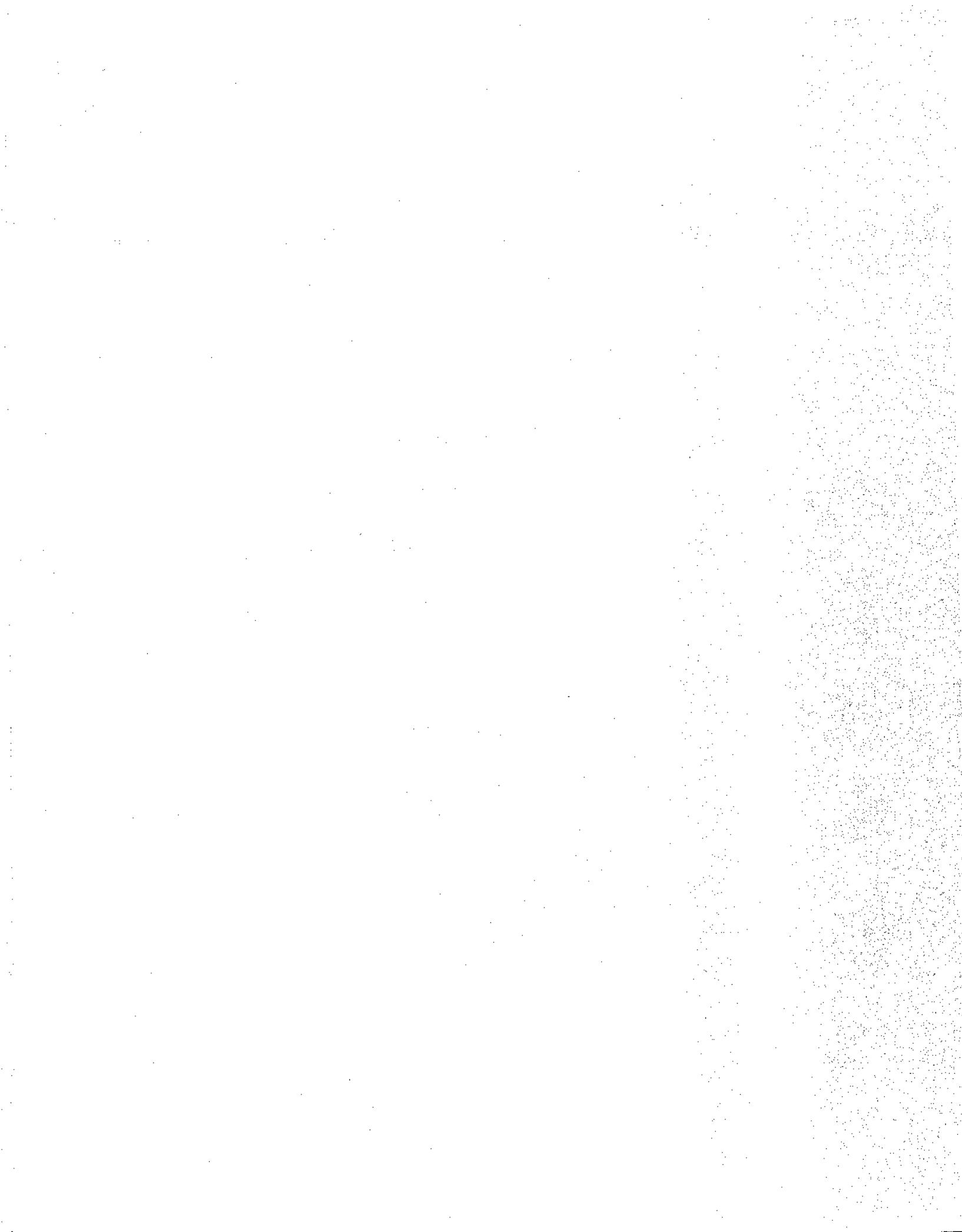
REPORT



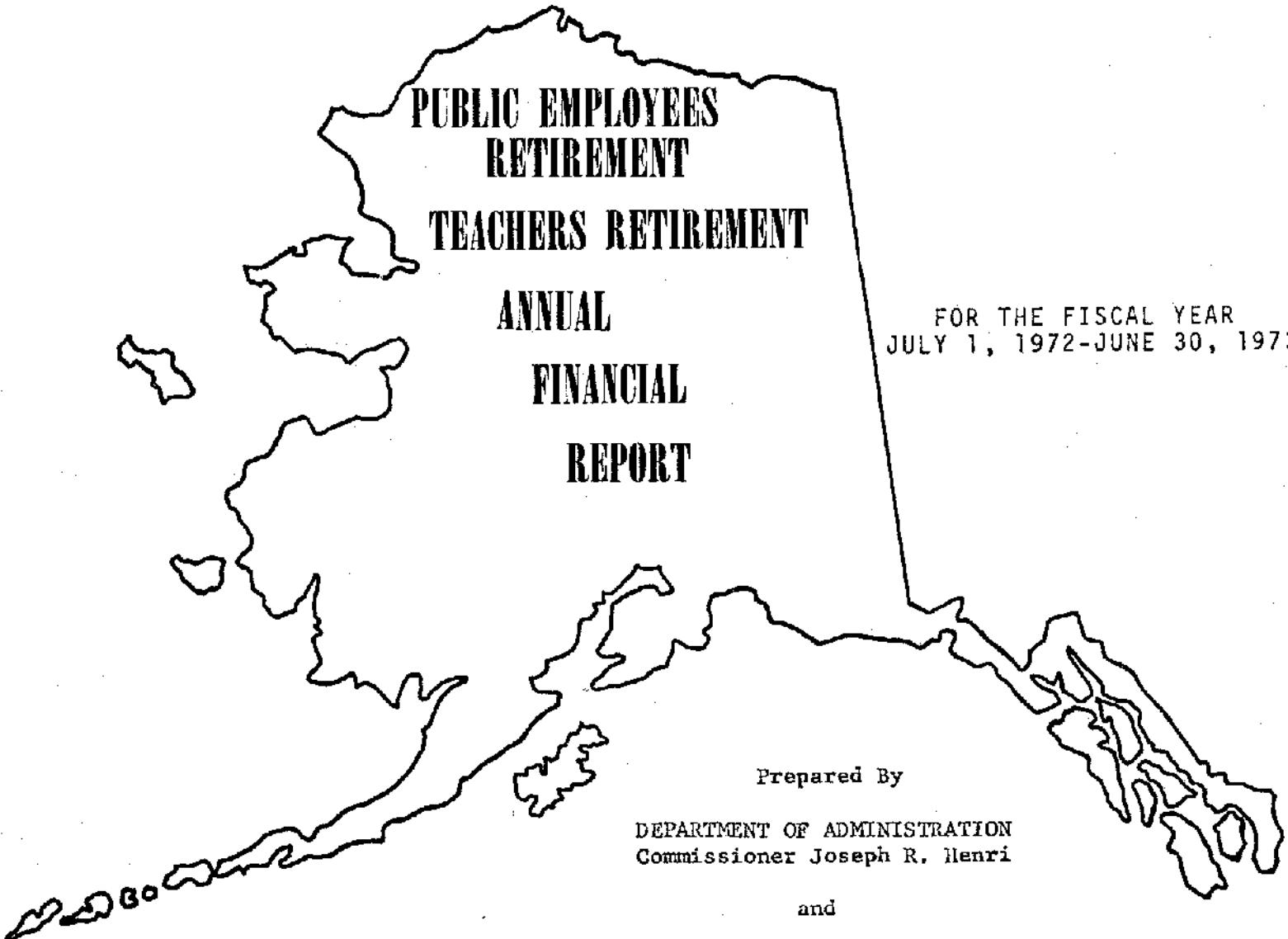
FOR THE FISCAL YEAR
JULY 1, 1972-JUNE 30, 1973

WILLIAM A. EGAN

GOVERNOR



STATE of ALASKA



**PUBLIC EMPLOYEES
RETIREMENT
TEACHERS RETIREMENT
ANNUAL
FINANCIAL
REPORT**

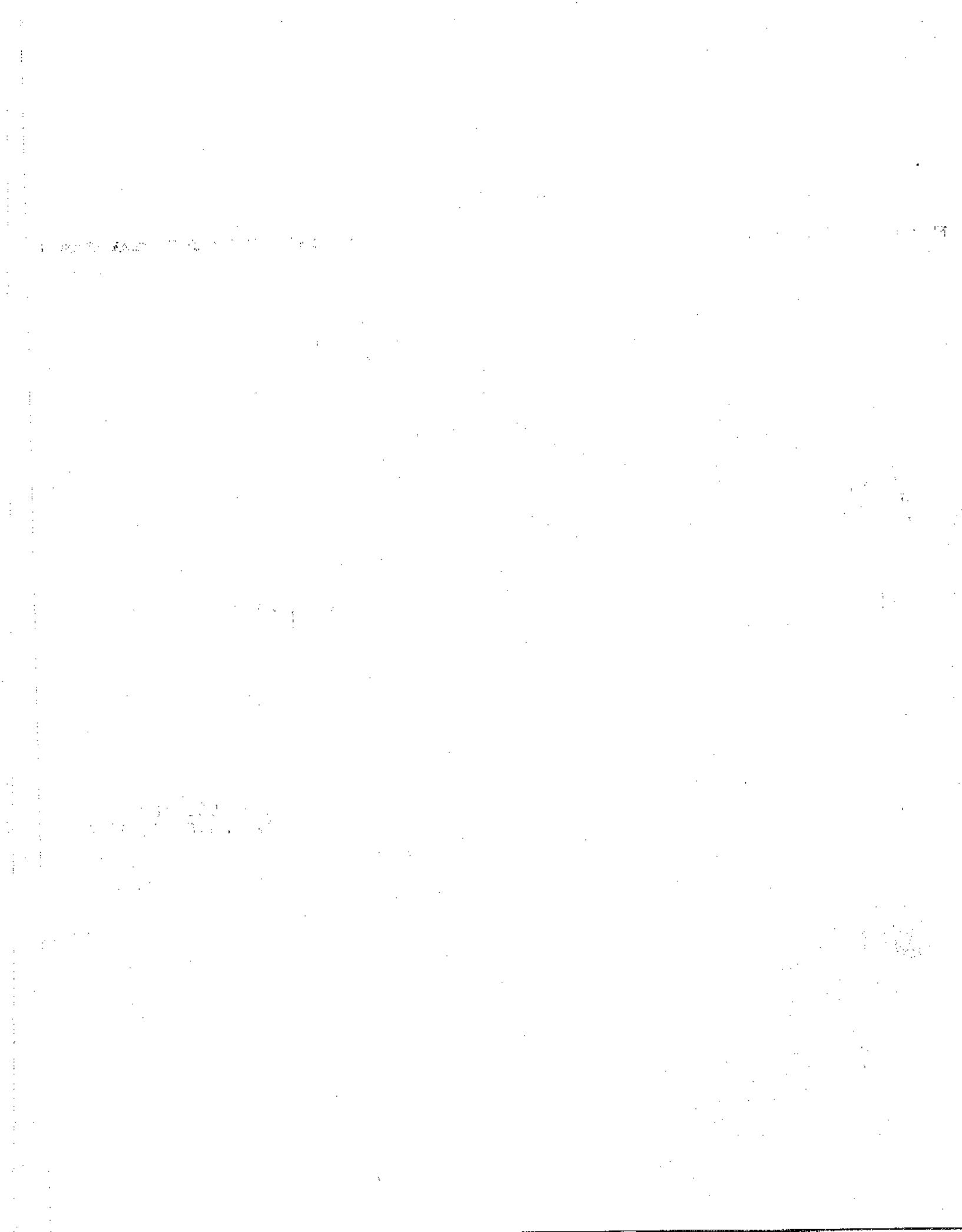
FOR THE FISCAL YEAR
JULY 1, 1972-JUNE 30, 1973

Prepared By

DEPARTMENT OF ADMINISTRATION
Commissioner Joseph R. Henri

and

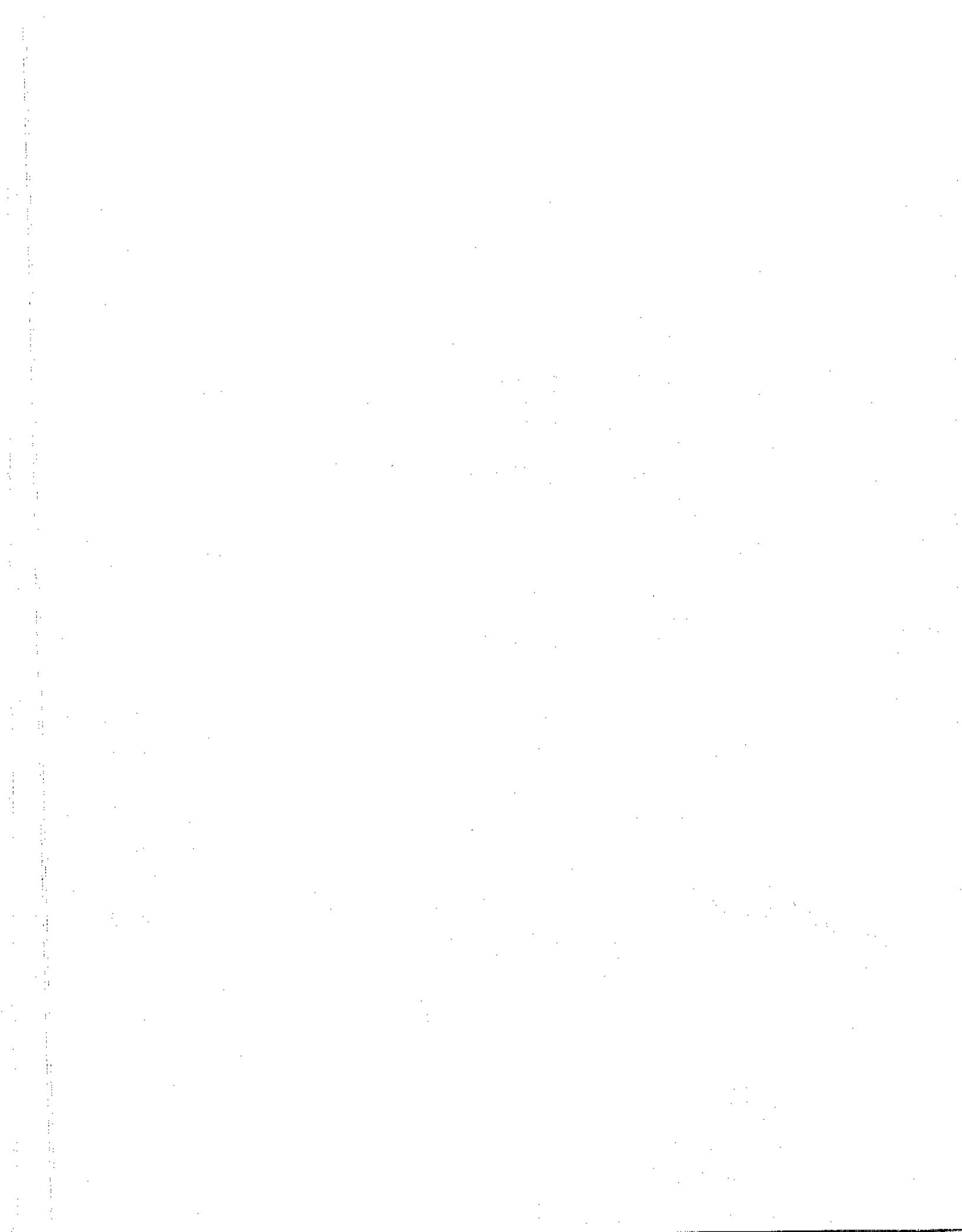
DEPARTMENT OF REVENUE
Commissioner Robert D. Stevenson



STATE OF ALASKA
 PUBLIC EMPLOYEES' RETIREMENT FUND
 TEACHERS' RETIREMENT FUND
 Fiscal Year 1973

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STATE OF ALASKA

RETIREMENT FUNDS
Introduction

General Comments:

The information presented in this report show the results of operations and the financial condition of the two retirement funds for the fiscal year ending June 30, 1973.

The assets accumulated by these funds are used to provide retirement benefits for the members under the Public Employees' Retirement System and the Teachers' Retirement System, respectively.

Assets of the Public Employees' Retirement Fund totaled \$80,116,286 as of June 30, 1973, an increase of \$22,831,285 over the preceding fiscal year. Assets of the Teachers' Retirement Fund amounted to \$73,979,377 as of June 30, 1973, an increase of \$15,579,079 over the preceding fiscal year. The combined assets of both funds totaled \$154,095,663.

Both the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) are joint contributory systems with defined contributions and benefits. In PERS, peace officers and firemen contribute 5 per cent and all other members contribute 4.25 per cent of gross pay. Employer contribution rates vary from a low of 7.56 per cent to a high of 20.87 per cent of gross pay. Under TRS, members contribute 7 per cent of base salary. The combined employer and State matching contribution for fiscal 1973 amounted to 9.82 per cent of gross pay.

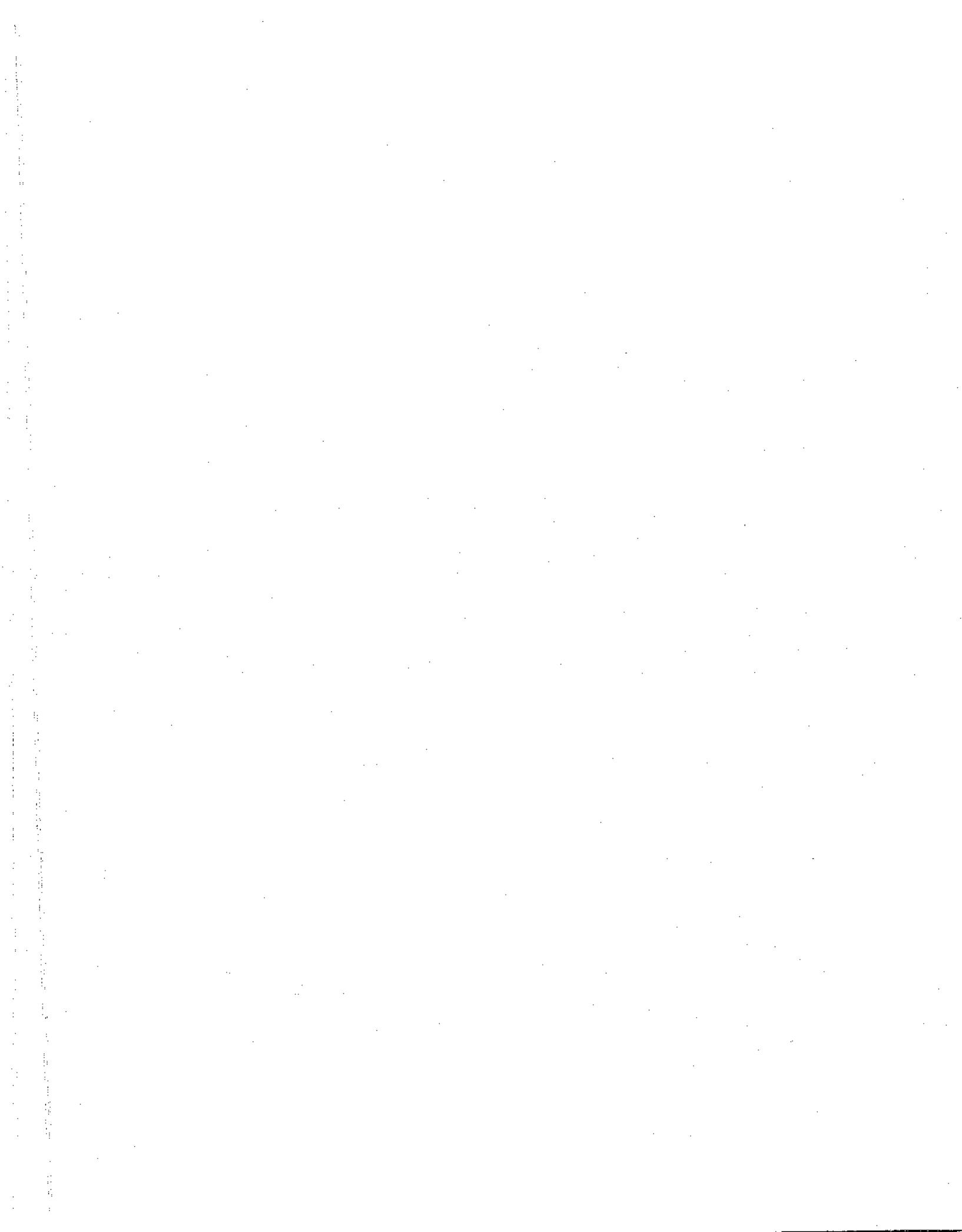
As of June 30, 1973 there were 25 participating employers and approximately 14,000 members in the Public Employees' Retirement System. There are approximately 11,000 members in the Teachers' Retirement System.

On June 30, 1973 there were 454 persons receiving benefits under the Public Employees' Retirement System and 413 persons receiving benefits under the Teachers' Retirement System.

There are three Territorial retirees, three judges and two surviving widow of judges receiving retirement benefits direct from the General Fund appropriation. This cost does not come from the Public Employees' Retirement System.

Investment Comments:

The investments were actively managed in order to take advantage of rate fluctuations during the year. Our investment policies remained relatively unchanged during the first part of fiscal 1973. Toward year end our market strategy became defensive recognizing the trend toward higher interest rates. Presently, the portfolios are positioned to take advantage of an expected lowering of interest rates from the current high levels.



STATE OF ALASKA

RETIREMENT FUNDS
Introduction

For several years we have had the A. G. Becker Company prepare a performance analysis on a portion of each fund managed outside of the Treasury Division. About a fourth of each fund, referred to as the Agency portion, is managed under contract to the Treasury Division in primarily common stocks.

This year the Treasury Division has developed an in-house capability of measuring performance for any part of and for the combined total of each fund. The measurement is called a time-weighted return and reflects the changes in both market value and income that occurs over the year. This form of measurement is widely recognized by the Bank Administration Institute as the best measure of investment management.

Public Employees' Retirement Funds

	Time Weighted Percentage Rates of Return		
	Income	Appreciation	Total
Agency Portion	4.65	-13.31	-8.66
Treasury Portion	7.04	- 1.32	5.72
Total Fund	6.40	- 4.25	2.15

Teachers' Retirement Fund

	Time Weighted Percentage Rates of Return		
	Income	Appreciation	Total
Agency Portion	5.24	-7.68	-2.44
Treasury Portion	6.78	-1.77	5.01
Total Fund	6.37	-3.21	3.15

Comparative Performance:

400 Funds:	
First Quartile	- 3.23
Median	- 6.53
Third Quartile	-11.10

As displayed above, the overall rates of return for the Public Employees was 2.15% and the Teachers return was 3.15%. These returns fall short of the fund objectives but rank high on a comparative basis among similar funds.

STATE OF ALASKA

RETIREMENT FUNDS
Introduction

When compared to the over 400 pension and profit sharing plans measured by the A. G. Becker Company during the year, the returns on the Public Employees and the Teachers Retirement Funds rank in the top 1 per cent. This was due to the high diversification and a successful defensive market strategy. In each case the income generated for the year was adequate and the reduction in market value was at a rate in line with the loss to security prices in general.

In the fixed income area, we have been purchasing FHA insured loans, and more recently, SBA guaranteed loans. These loans offer safe investments and high earnings for the retirement funds, without the burden of servicing and administration.

This year we are requesting legislation authorizing the retirement funds to purchase mortgages guaranteed by the Federal Veterans' Administration, mortgages insured by private insurance companies, and non-insured conventional residential mortgages on a participation basis with the originating Alaska financial institution.

The addition of these mortgages as permitted investments will give us needed additional sources of mortgages to meet our investment needs and allow us more diversification in our mortgage portfolios. This will also allow us to purchase the mortgages offering the highest interest rate available and maintain maximum safety of our funds. This would also increase the likelihood that there would always be mortgages available for purchase, and create a secondary market within the State for such loans.

STATE OF ALASKA

RETIREMENT FUNDS
Combined Balance Sheet
June 30, 1973

	<u>Total</u>	Public Employees' Retirement Fund	Teachers' Retirement Fund
<u>ASSETS</u>			
Current Assets:			
Cash in Treasury	<u>\$ 1,054,143.98</u>	<u>\$ 520,477.15</u>	<u>\$ 533,666.83</u>
Investments:			
Certificates of Deposit and Savings Accounts	\$ 21,901,581.85	\$ 12,260,428.28	\$ 9,641,153.57
Commercial Paper	900,488.61	900,488.61	
Common and Preferred Stocks	27,133,702.48	16,928,194.82	10,205,507.66
Convertible Bonds	327,573.55	287,386.05	40,187.50
Corporate Bonds	32,356,970.14	17,086,995.67	15,269,974.47
Government Bonds and Agencies	33,105,445.85	13,244,813.25	19,860,632.60
Small Business Administration Loans	5,551,190.50	2,823,359.79	2,727,830.71
Mortgages (FHA)	29,874,643.07	15,246,109.89	14,628,533.18
Mortgages (Veterans' Affairs)	1,306,106.93	782,807.70	523,299.23
Municipal Bonds	100,641.00	35,224.35	65,416.65
Treasury Bills	483,174.70		483,174.70
Total Investments	<u>\$153,041,518.68</u>	<u>\$79,595,808.41</u>	<u>\$73,445,710.27</u>
Total Current Assets	<u>\$154,085,662.66</u>	<u>\$80,116,285.56</u>	<u>\$73,979,377.10</u>
<u>LIABILITIES, EQUITIES AND RESERVE</u>			
Current Liabilities:			
Federal Insurance Contributions Act - Payable	\$ 4,131,161.77	\$ 4,131,161.77	\$
Deposit in Trust	(2,014.09)		(2,014.09)
Total Current Liabilities	<u>\$ 4,129,147.68</u>	<u>\$ 4,131,161.77</u>	<u>\$ (2,014.09)</u>
Equities:			
Members' Equities	\$ 47,456,328.05	\$ 17,374,686.07	\$ 30,081,641.98
Employers' Equities	95,721,903.05	53,650,095.66	42,071,807.39
Retirement Reserve	6,788,283.88	4,960,342.06	1,827,941.82
Total Equities and Reserve	<u>\$149,966,514.98</u>	<u>\$75,985,123.79</u>	<u>\$73,981,391.19</u>
Total Liabilities, Equities and Reserve	<u>\$154,095,662.66</u>	<u>\$80,116,285.56</u>	<u>\$73,979,377.10</u>

STATE OF ALASKA
 RETIREMENT FUNDS
 Combined Statement of Operations
 For Fiscal Year Ended June 30, 1973

	Total	Public Employees' Retirement Fund	Teachers Retirement Fund
Beginning Equities, July 1, 1972	\$112,723,533.45	\$54,324,466.76	\$58,399,066.69
Additions:			
Members' Contributions	\$ 13,456,927.64	\$ 6,636,275.93	\$ 6,820,651.71
State and Employers' Contributions	24,812,943.23	15,269,036.61	9,543,906.62
Investment Income	6,527,262.53	3,345,725.97	3,181,536.56
Interest Earned on Members' Indebtedness	72,753.77	5,915.73	66,838.04
Total Additions	<u>\$ 44,869,887.17</u>	<u>\$25,256,954.24</u>	<u>\$19,612,932.93</u>
Total to Account for	<u>\$157,593,420.62</u>	<u>\$79,581,421.00</u>	<u>\$78,011,999.62</u>
Deductions:			
Administrative Expenses	\$ 406,481.81	\$ 182,322.87	\$ 224,158.94
Members' Contributions and Interest Refunded	2,956,788.85	1,643,830.51	1,312,958.34
Interest Credited to Members' Accounts	649,867.98	649,867.98	
Retirement Benefits Paid	3,613,767.00	1,120,275.85	2,493,491.15
Total Deductions	<u>\$ 7,626,905.64</u>	<u>\$ 3,596,297.21</u>	<u>\$ 4,030,608.43</u>
Ending Equities, June 30, 1973	<u>\$149,966,514.98</u>	<u>\$75,985,123.79</u>	<u>\$73,981,391.19</u>

STATE OF ALASKA

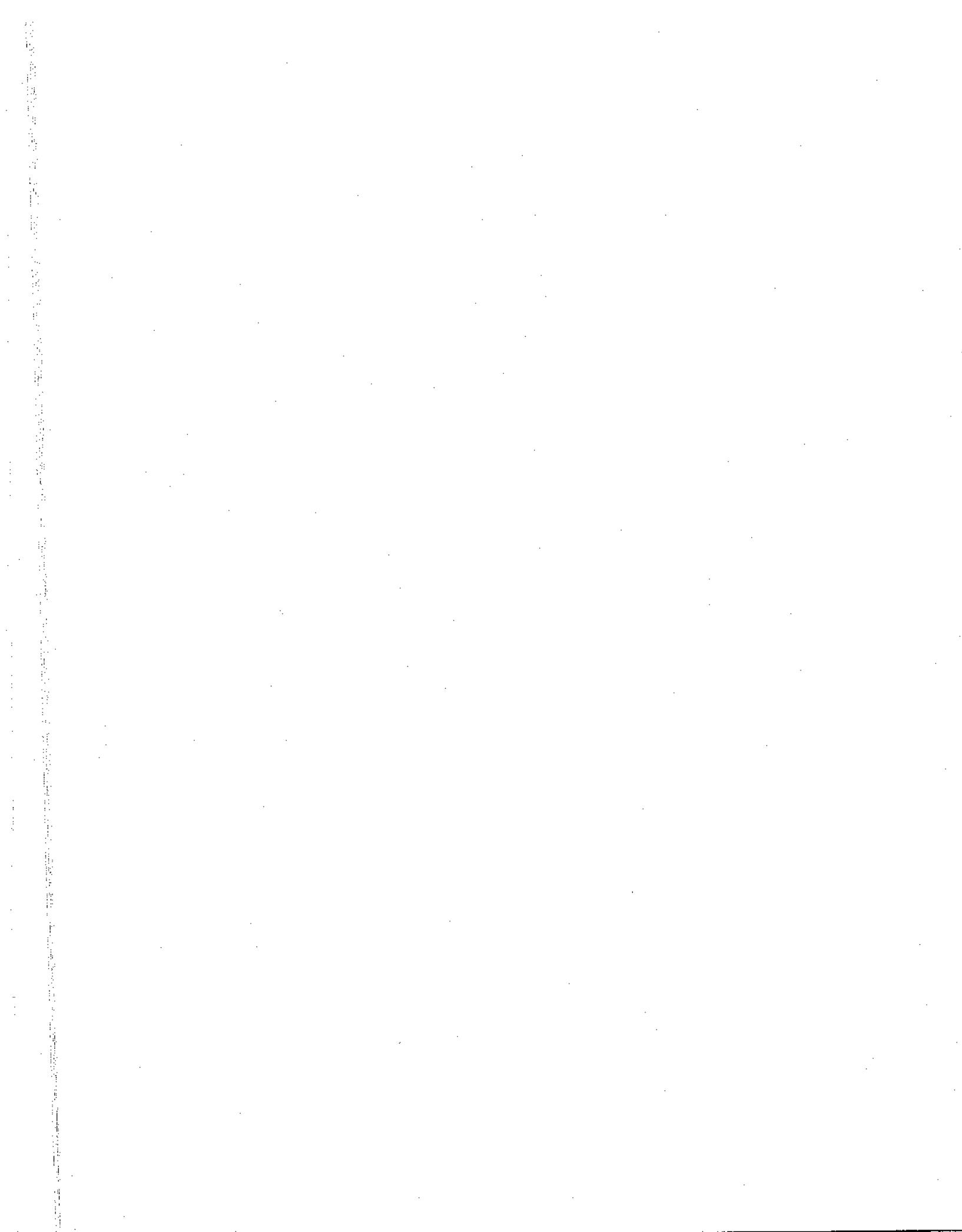
P U B L I C E M P L O Y E E S

R E T I R E M E N T

F U N D

BOARD MEMBERS

<u>Name</u>	<u>Term Expires</u>
C. R. "Steve" Hafling, Chairman	June 20, 1978
Robert L. Anderson	December 14, 1978
Kathleen Berry	October 26, 1977
Joseph Franich	June 20, 1976
Morgan W. Reed	June 20, 1974



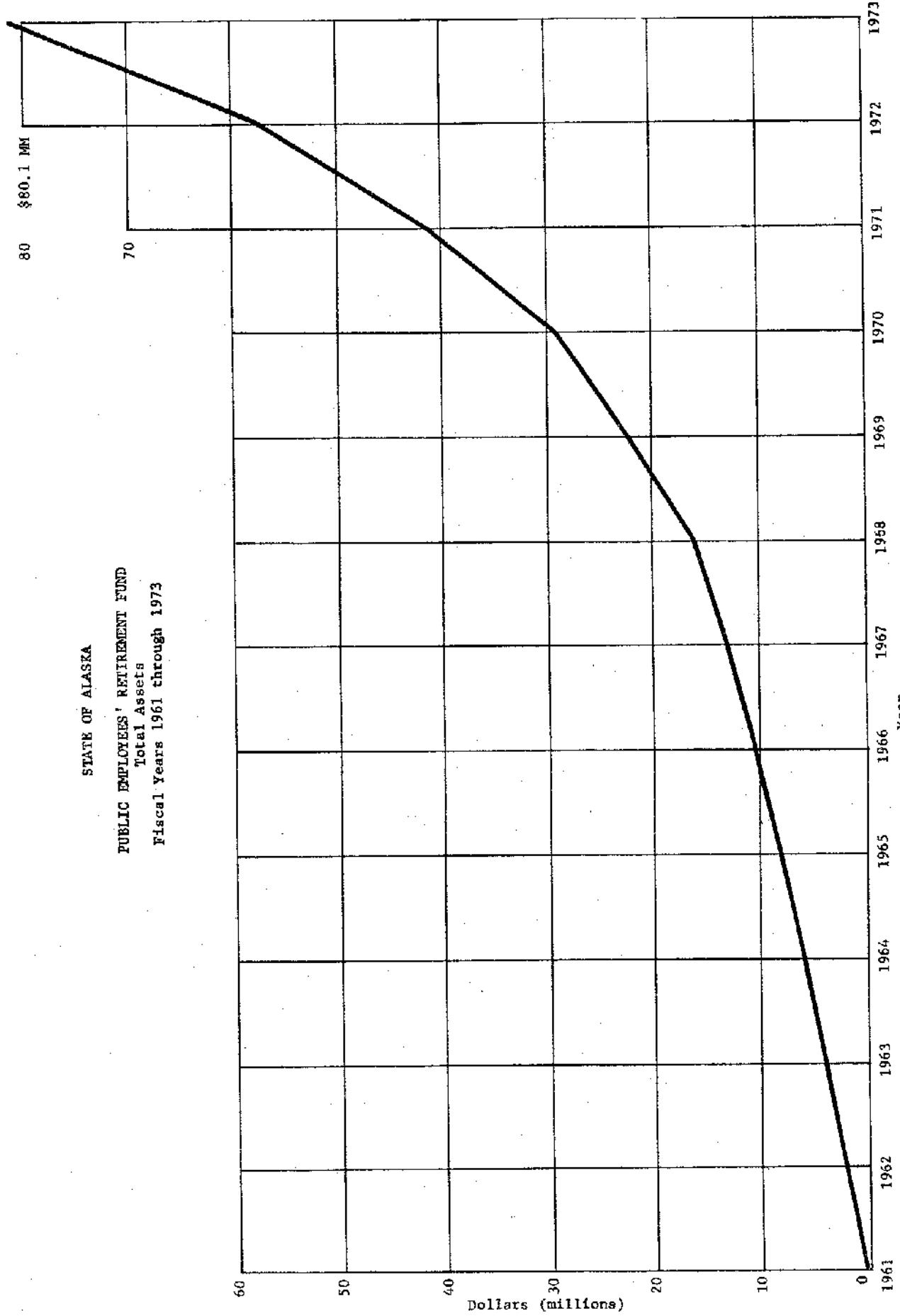
STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
 Historical Data
 Fiscal Years 1961 through 1973
 (cents omitted)

<u>Fiscal Year</u>	<u>Assets Fiscal Year End</u>	<u>Employers' Contributions During Fiscal Year</u>	<u>Members' Contributions During Fiscal Year</u>	<u>Benefits Paid Including Death Benefits</u>	<u>Members' Contributions and Interest Refunded During Fiscal Year</u>	<u>Investment Income During Fiscal Year</u>
				<u>\$</u>	<u>\$</u>	<u>\$</u>
1961	\$ 414,644	\$ 312,204	\$ 119,546	\$ 17,671	\$ 58,362	\$ 17,091
1962	2,277,511	1,093,716	528,477			
1963	4,120,608	1,206,864	554,933	23,638	158,141	94,481
1964	6,062,891	1,395,748	617,973	36,533	221,260	174,052
1965	8,127,439	1,418,567	668,626	42,714	233,321	263,758
1966	10,799,627	1,650,980	700,891	45,142	277,582	390,773
1967	13,127,498	1,580,520	567,799	54,620	359,975	560,279
1968	16,179,278	2,459,200	597,580	72,767	704,463	675,866
1969	22,497,780	3,854,514	1,917,650			
1970	29,293,897	2,763,176	2,728,332	200,236	561,178	1,687,211
1971	41,444,559	7,408,647	3,568,932			
1972	57,285,001	9,957,962	4,677,640	565,551	1,144,434	3,252,779
1973	80,116,285	15,269,037	6,636,276	1,120,276	1,643,831	3,345,726

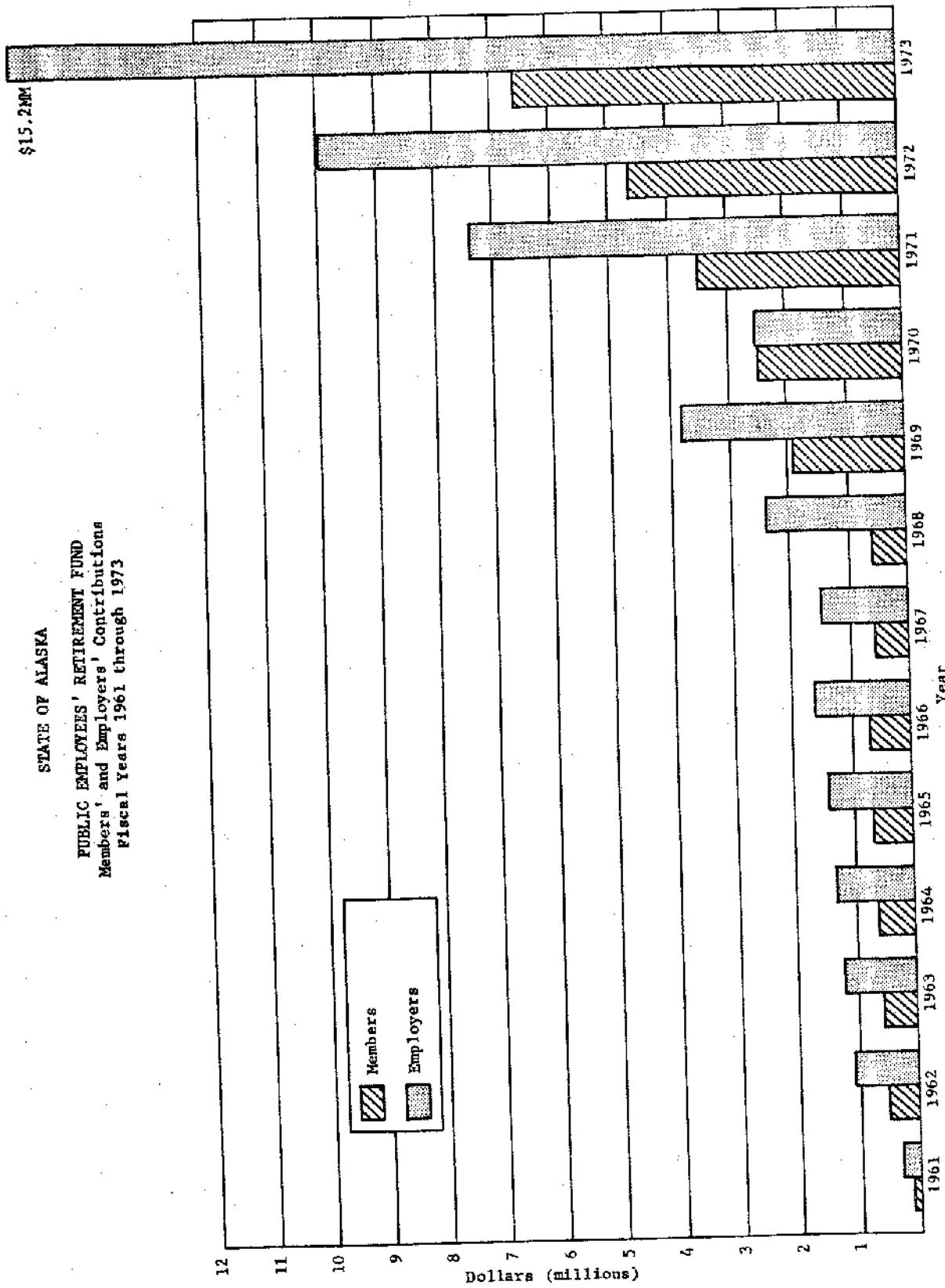
STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Total Assets^s
Fiscal Years 1961 through 1973



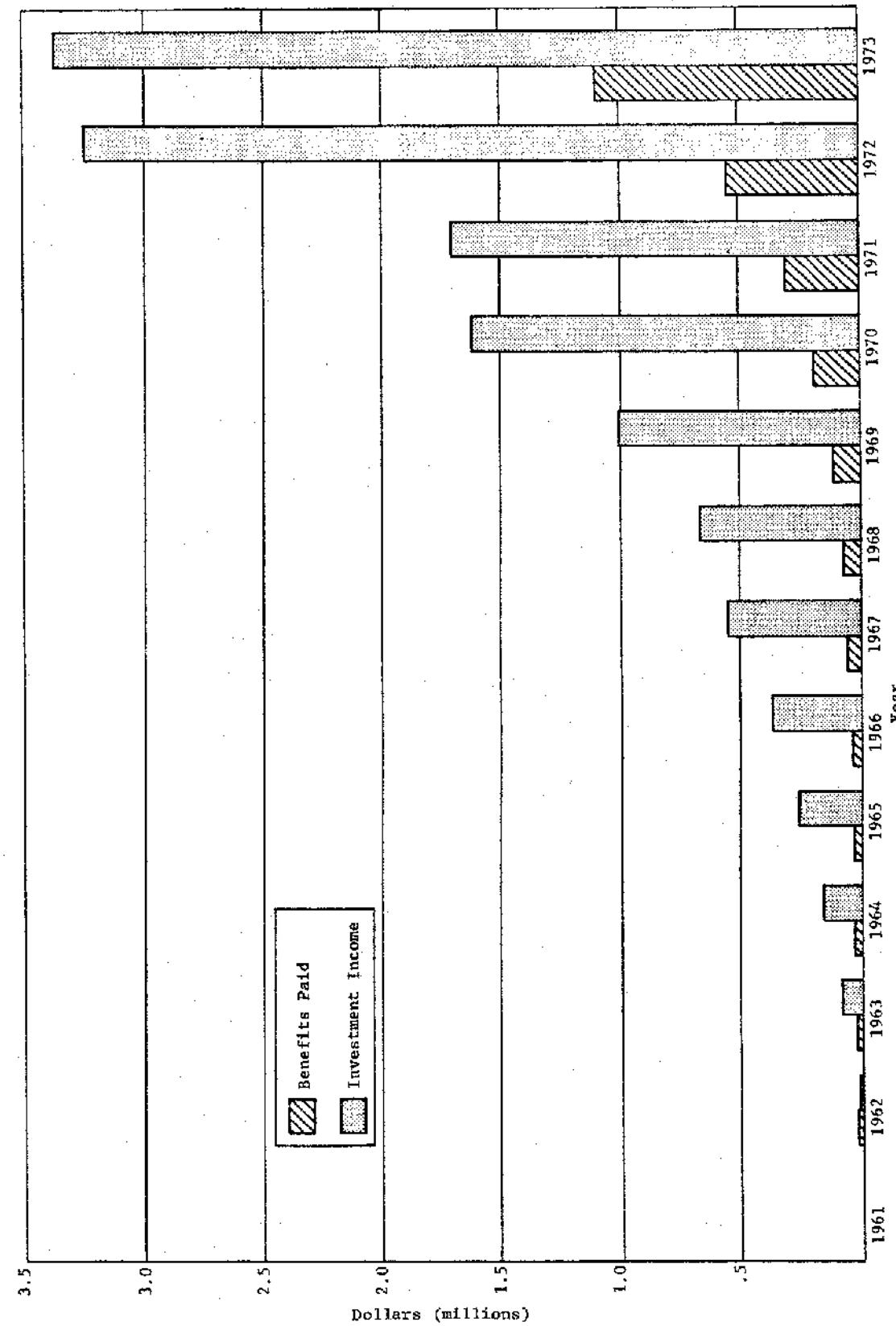
STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Members' and Employers' Contributions
Fiscal Years 1961 through 1973



STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Benefits Paid and Investment Income
Fiscal Years 1961 through 1973



STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Balance Sheet

	Fiscal Year Ended	
	June 30, 1973	June 30, 1972
<u>ASSETS</u>		
Current Assets:		
Cash in Treasury	\$ 520,477.15	\$ 467.67
Investments:		
Certificates of Deposit and Savings Accounts	\$12,260,428.28	\$ 4,056,104.13
Commercial Paper	900,488.61	356,590.94
Common and Preferred Stocks	16,928,194.82	16,611,886.88
Convertible Bonds	287,386.05	293,086.05
Corporate Bonds	17,086,995.67	2,732,637.50
Government Bonds and Agencies	13,244,813.25	17,630,819.14
Mortgages (FHA)	15,246,109.89	14,579,660.27
Mortgages (Veterans' Affairs)	782,807.70	988,524.07
Municipal Bonds	35,224.35	35,224.35
Small Business Administration Loans	2,823,359.79	
Total Investments	<u>\$79,595,808.41</u>	<u>\$57,284,533.33</u>
Total Current Assets	<u>\$80,116,285.56</u>	<u>\$57,285,001.00</u>
<u>LIABILITIES, EQUITIES AND RESERVE</u>		
Current Liabilities:		
Federal Insurance Contributions Act - Payable (State)	\$ 6,477,864.51	\$ 2,543,463.88
Federal Insurance Contributions Act - Payable (Political Subdivisions)	(2,346,702.74)	417,070.36
Total Current Liabilities	<u>\$ 4,131,161.77</u>	<u>\$ 2,960,534.24</u>
Equities:		
Members' Equities by Employer:		
Air National Guard	\$ 2,811.90	\$.50
Alaska Municipal League	1,014,643.38	1,153.46
Anchorage Borough Schools	34.44	689,177.22
Army National Guard	358,651.89	1,244.96
City and Borough of Juneau	305,753.45	253,715.53
City of Fairbanks	4,447.38	174,840.83
City of Haines	1,351.97	5,583.03
City of Homer	58,614.25	4,768.40
City of Kenai	52,067.50	29,324.57
City of Kodiak	55,105.71	29,577.59
City of Sitka		36,659.23

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Balance Sheet

	<u>Fiscal Year Ended</u>	
	<u>June 30, 1973</u>	<u>June 30, 1972</u>
<u>LIABILITIES, EQUITIES AND RESERVE</u>		
Equities - Continued:		
Members' Equities by Employer - Continued:		
City of Skagway	\$ 1,228.83	\$ 1,807.39
City of Soldotna	2,503.72	3,121.69
City of Valdez	7,326.07	2,162.55
Fairbanks Public Utilities (M.U.S.)	108,948.55	62,055.50
Gateway Borough	12,503.89	7,623.52
Greater Anchorage Area Borough	554,812.84	215,820.53
Greater Sitka Borough	2,530.58	3,960.30
Juneau Borough Schools	98,160.33	70,503.92
Kenai City Light	12.71	2,659.31
Matanuska-Susitna Borough	29,538.28	18,812.53
Matanuska-Susitna Borough Schools	55,655.35	40,963.79
North Star Borough	75,155.06	48,099.90
North Star Borough Schools	165,491.16	141,708.46
Sitka Borough School District	5,510.92	
Sitka Community Hospital	1,638.90	16,074.78
Sitka Public Utilities	26,147.44	15,861.94
State of Alaska	13,386,404.54	10,325,597.75
University of Alaska	899,602.21	589,542.60
University of Alaska - Geophysical Institute	88,032.82	59,103.94
Total Members' Equities	\$17,374,686.07	\$12,851,525.72
Employers' Equities:		
Air National Guard	\$ 36,244.74	\$ 52,539.56
Alaska Municipal League	12,793.95	3,659.07
Greater Anchorage Area Borough Schools	3,338,192.74	2,142,967.74
Army National Guard	68,314.00	63,824.59
City and Borough of Juneau	1,133,166.76	795,294.81
City of Fairbanks	863,944.67	560,484.54
City of Haines	(1,532.65)	17,204.70
City of Homer	950.75	8,708.51
City of Kenai	163,150.72	83,433.76
City of Kodiak	128,521.21	51,325.30
City of Sitka	100,986.71	56,385.13
City of Skagway	13,056.02	6,855.31
City of Soldotna	11,950.53	7,922.03
City of Valdez	19,303.53	4,386.66
Fairbanks Public Utilities (M.U.S.)	334,402.57	212,950.00
Gateway Borough	(41,999.79)	12,228.73
Greater Anchorage Area Borough	1,408,873.01	569,006.47

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Balance Sheet

	<u>Fiscal Year Ended</u>	
	<u>June 30,</u>	<u>June 30,</u>
	<u>1973</u>	<u>1972</u>
<u>LIABILITIES, EQUITIES AND RESERVE</u>		
Equities - Continued:		
Employers' Equities - Continued:		
Greater Sitka Borough	\$ (13,698.26)	\$ 6,700.20
Juneau Borough Schools	298,381.12	235,251.91
Kenai City Light	16,762.63	15,660.95
Matanuska-Susitna Borough	123,498.68	68,723.58
Matanuska-Susitna Borough Schools	183,541.79	141,127.74
North Star Borough	211,904.04	105,842.62
North Star Borough Schools	606,162.46	376,957.64
Sitka Borough Schools	20,454.07	
Sitka Community Hospital	37,527.41	31,706.30
Sitka Public Utilities	53,182.98	31,709.55
State of Alaska	42,014,655.17	32,236,801.66
University of Alaska	2,261,486.89	1,614,220.62
University of Alaska - Geophysical Institute	245,917.21	160,553.29
Total Employers' Contributions	\$53,650,095.66	\$39,674,432.97
Retirement Reserve	\$ 4,960,342.06	\$ 1,798,508.07
Total Liabilities, Equities and Reserve	\$80,116,285.56	\$57,285,001.00

NOTE:

Market value of investments is approximately \$76,217,733.00 on June 30, 1973. See Investment Report for details.
Legal Reference: AS 39.35.110

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	<u>Fiscal Year Ended</u>	
	<u>June 30, 1973</u>	<u>June 30, 1972</u>
Equities July 1	\$54,324,466.76	\$38,793,749.68
Additions:		
Members' Contributions by Employer:		
Air National Guard	\$ (50)	\$.50
Alaska Municipal League	1,919.52	1,153.46
Anchorage Borough School	454,770.76	249,298.60
Army National Guard	19.50	108.62
City and Borough of Juneau	180,636.30	128,980.64
City of Fairbanks	170,641.03	142,300.42
City of Haines	3,124.95	2,935.72
City of Homer	310.54	4,349.87
City of Kenai	34,548.12	20,765.85
City of Kodiak	26,453.44	21,678.31
City of Sitka	27,323.94	20,822.18
City of Skagway	1,956.63	2,087.01
City of Soldotna	2,436.96	1,968.43
City of Valdez	8,712.93	2,162.55
Fairbanks Public Utilities (M.U.S.)	65,936.56	56,272.53
Gateway Borough	8,052.96	4,422.46
Greater Anchorage Area Borough	428,860.39	232,738.27
Greater Sitka Borough	65.65	2,327.89
Juneau Borough Schools	35,368.26	21,516.12
Kenai City Light	23.43	396.59
Matanuska-Susitna Borough	15,743.13	10,100.16
Matanuska-Susitna Borough Schools	26,733.00	17,628.42
North Star Borough	39,708.18	27,140.06
North Star Borough School	75,400.91	70,009.84
Sitka Borough School District	5,582.69	
Sitka Community Hospital	2,479.79	12,553.57
Sitka Public Utilities	10,615.39	7,304.65
State of Alaska	4,513,501.14	3,256,348.80
University of Alaska	451,221.63	330,702.96
University of Alaska - Geophysical Institute	44,128.70	29,565.52
Total Members' Contributions	\$ 6,636,275.93	\$ 4,677,640.00
Employers' Contributions:		
Alaska Municipal League	\$ 8,705.21	\$ 3,251.43
Anchorage Borough School	1,271,262.51	591,790.44
City and Borough of Juneau	437,925.35	257,985.50
City of Fairbanks	432,437.73	353,929.33
City of Haines	8,104.82	6,822.27
City of Homer	579.34	7,771.59

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1973	June 30, 1972
Additions - Continued:		
Employers' Contributions - Continued:		
City of Kenai	\$ 73,665.51	\$ 44,463.29
City of Kodiak	73,034.79	29,967.10
City of Sitka	50,102.21	20,386.35
City of Skagway	5,607.63	5,085.74
City of Soldotna	3,543.97	3,211.01
City of Valdez	14,469.99	3,893.73
Fairbanks Public Utilities (M.U.S.)	173,742.52	150,112.17
Gateway Borough	13,569.07	5,865.96
Greater Anchorage Area Borough	964,797.99	490,993.19
Greater Sitka Borough		3,075.57
Juneau Borough Schools	99,142.62	52,347.64
Kenai City Light		311.93
Matanuska-Susitna Borough	49,395.84	26,837.64
Matanuska-Susitna Borough School	81,087.37	50,430.81
North Star Borough	98,233.71	54,778.40
North Star Borough School	230,756.13	134,680.10
Sitka Borough School	19,935.03	
Sitka Community Hospital	3,527.02	17,457.26
Sitka Public Utilities	19,379.90	12,627.63
State of Alaska	10,320,060.73	6,889,378.57
University of Alaska	725,259.48	683,117.77
University of Alaska - Geophysical Institute	90,710.12	57,389.32
Total Employers' Contributions	\$15,269,036.61	\$ 9,957,961.74
Interest Earned on Reinstatements	\$ 5,915.73	\$ 4,284.10
Investment Income (net)	<u>3,345,725.97</u>	<u>3,252,778.93</u>
Total Additions	\$25,256,954.24	\$17,892,664.77
Total Beginning Equities and Additions	\$79,581,421.00	\$56,686,414.45
Deductions:		
Administrative Expenses:		
Personal Services	\$ 64,495.64	\$ 48,072.80
Travel	4,105.30	3,340.28
Contractual Services	48,120.34	77,767.90
Commodities	1,250.90	610.35
Equipment	1,541.65	33.00
Land, Buildings, & Improvements		12,868.00
Interagency Service	62,809.04	28,548.79
Total Administrative Expenses	\$ 182,322.87	\$ 171,241.12

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	<u>June 30, 1973</u>	<u>June 30, 1972</u>
Deductions - Continued:		
Members' Contributions and Interest		
Refunded	\$ 1,643,830.51	\$ 1,144,434.29
Interest Credited to Members'		
Contribution Accounts	649,867.98	480,721.35
Retirement Benefits Paid	<u>1,120,275.85</u>	<u>565,550.93</u>
Total Deductions	<u>\$ 3,596,297.21</u>	<u>\$ 2,361,947.69</u>
Ending Equities June 30	<u>\$75,985,123.79</u>	<u>\$54,324,466.76</u>

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND

Stocks Purchased

7/1/72 through 6/30/73

<u>Issue</u>	<u>Shares</u>	<u>Total Cost</u>
Aetna Life & Casualty Company	10,000	\$ 624,274.48
Aluminum Company of America	7,000	369,958.40
Bank of America	11,000	476,375.00
Campbell Soup Company	18,000	604,120.69
Celanese Corporation	5,000	159,396.11
Dover Corporation	5,000	273,320.50
Evans Products	25,000	554,116.50
Greyhound Bus Corporation	10,000	166,786.75
Harris Intertype	4,500	200,012.10
Illinois Central Industries	2,000	66,004.00
International Paper	2,000	70,207.18
Mead Corporation	10,000	144,536.07
Pacific Gas & Electric	1,000	25,650.00
Richmond Corporation	10,000	483,899.00
Safeco Corporation	6,500	320,689.00
Western Bancorporation	25,000	802,529.21
Total		\$4,870,263.74

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
 Stock Dividend and Splits
 7/1/72 through 6/30/73

	<u>Shares</u>	
Certain-Teed Products	6,000	2 for 1 split
Pittston Company	450	3% stock dividend

Common Stock Sales
 7/1/72 through 6/30/73

<u>Issue</u>	<u>Shares</u>	<u>Cost</u>	<u>Proceeds</u>	<u>Gain or (Loss)</u>
AMF, Inc.	6,000	\$ 241,470.59	\$ 307,954.43	\$ 66,486.84
Atlantic Richfield Corp.	4,000	338,334.06	280,625.87	(57,708.19)
Certain-Teed Products	12,973	367,622.89	352,722.66	(14,900.23)
Cessna Aircraft Corporation	10,000	240,403.45	346,314.85	105,911.40
Dover Corporation	3,400	185,857.94	185,619.39	(238.55)
Federated Department Stores	4,000	143,296.08	189,917.12	46,621.04
IBM Corporation	1,300	313,467.06	490,751.73	177,284.67
Ingersoll Rand Corp.	5,000	253,128.36	333,950.21	80,821.85
Phillips Petroleum Corp.	10,000	316,214.84	398,050.47	81,835.63
Pittston Company	15,450	641,067.30	445,309.75	(195,757.55)
Smith Kline & French	32,000	258,757.55	288,415.71	29,658.16
Stokely Van Camp	15,000	363,685.40	306,848.77	(56,836.63)
United Telecommunications	5,000	25,000.00	31,384.85	6,384.85
U. S. Freight	7,600	216,557.41	193,911.03	(22,646.38)
E. W. Woolworth Company	14,000	625,063.41	319,936.96	(305,126.45)
Total		\$4,529,926.34	\$4,471,716.80	\$ (58,209.54)

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Summary of Investments
as of 6/30/73.

<u>Description</u>	<u>Dollar Cost</u>	<u>Per Cent of Total Investments</u>
Cash	\$ 29,328.28	.037%
Certificates of Deposit - Bank of America	4,000,000.00	5.026%
Commercial Paper	900,488.61	1.131%
Common Stocks	16,928,194.82	21.268%
Convertible Bonds	287,386.05	.361%
Corporate Notes and Bonds	16,086,995.67	20.211%
GNMA Mortgage Backed Securities	5,138,572.32	6.456%
MGIC Mortgage Corporation Notes	1,000,000.00	1.256%
Mortgages, FHA	15,246,109.89	19.154%
Mortgages, SBA	2,823,359.79	3.547%
Mortgages, VA	190,010.01	.239%
Mortgages, VA Participation Certificates	592,797.69	.745%
Municipal Bonds	35,224.35	.044%
Repurchase Agreements	6,200,000.00	7.789%
Savings Account	6,100.00	.008%
Savings Certificates - Alaska Banks	2,025,000.00	2.544%
U. S. Government Notes and Bonds	8,106,240.93	10.184%
 Total	 \$79,595,808.41	 100.000%

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
 Assets Owned
 as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Description</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Market Value Over Cost</u>	<u>Yield* at Cost</u>	<u>Current** Annualized Income</u>
CASH									
	Demand Cash			\$ 27,121.95		\$ 27,121.95		4.50%	\$ 373.78
	Savings Account			\$ 8,306.33		\$ 8,306.33			\$ 373.78
	Sub-Total			\$ 35,428.28		\$ 35,428.28			
	Total - Cash			\$ 35,428.28		\$ 35,428.28			\$ 373.78
SHORT TERM DEBT ISSUES									
	Commercial Paper	8.00%		\$ 25,936.44		\$ 25,936.44		8.00%	\$ 2,074.92
	Honeywell Finance due 7/3/73			\$ 874,552.17		\$ 874,552.17			\$ 74,337.93
	Sears Roebuck Acceptance Corp. due 7/6/73			\$ 900,488.61		\$ 900,488.61			\$ 76,412.85
	Sub-Total								
	Repurchase Agreements			\$ 6,200,000.00		\$ 6,200,000.00		8.30%	\$ 514,600.00
	Sub-Total			\$ 6,200,000.00		\$ 6,200,000.00			\$ 514,600.00
	Certificates of Deposit								
	Bank of America due 10/23/73			\$ 4,000,000.00		\$ 4,000,000.00		7.95%	\$ 318,000.00
	Sub-Total			\$ 4,000,000.00		\$ 4,000,000.00			\$ 318,000.00
	Total - Short Term Debt Issues			\$ 11,100,488.61		\$ 11,100,488.61			\$ 909,012.85
FIXED INCOME MARKETABLE ISSUES									
	U. S. Government Notes and Bonds								
	U. S. Treasury Bonds								
	Sub-Total								
	\$1,500,000.00			\$ 1,489,687.50		98.93	\$ 1,473,750.00	7.06%	\$ 10,500.00
				\$ 1,489,687.50			\$ 1,473,750.00		\$ 10,500.00
	<u>U. S. Government Agencies</u>								
	Federal Home Loan Bank due 5/25/83			\$ 1,002,130.68		99.30	\$ 995,000.00	\$ (7,130.68)	\$ 73,000.00
	International Bank due 2/15/85			\$ 673,704.00		96.48	650,000.00	(23,704.00)	40,000.00
	International Bank due 8/1/95			\$ 552,500.00		97.51	538,750.00	(13,750.00)	43,125.00

STATE OF ALASKA

PUBLIC EMPLOYERS' RETIREMENT FUND
Assets Owned
as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Description</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Yield*</u>	<u>Current** Annualized Income</u>						
							<u>Over Cost</u>	<u>at Cost</u>						
U. S. Government Agencies -														
Continued														
\$1,000,000.00	Federal National Mortgage Assn.	7.40%	100.93	\$ 1,009,375.00	96.84	\$ 977,500.00	\$ (31,875.00)	7.33% \$ 74,000.00						
700,000.00	Capital Debentures due 10/1/97	7.10%	96.01	672,125.00	98.94	665,000.00	(7,125.00)	49,700.00						
700,000.00	Federal National Mortgage Assn. due 12/10/97	7.35%	98.81	741,093.75	98.16	727,500.00	(13,593.75)	55,125.00						
750,000.00	Tennessee Valley Authority due 4/1/98	7.15%	98.28	1,965,625.00	96.86	1,904,000.00	(61,625.00)	7.29% 143,000.00						
2,000,000.00	General Services Administration due 12/15/02	5.50%	86.75	4,337,500.00	98.56	4,275,000.00	(62,500.00)	7.68% 275,000.00						
5,000,000.00	Government National Mortgage Assn. Certificate # 2366 due 9/15/98	8.00%	106.62	801,072.32	95.43	764,443.00	(36,629.32)	7.50% 601,036.32						
751,295.41	Government National Mortgage Assn. Certificate # 377 due 4/15/01			\$11,755,125.75		\$11,497,193.00	\$ (257,932.75)	\$1,353,986.32						
	Sub-Total													
\$ 35,000.00	Municipal Bonds Alaska State Development Corp. due 8/1/83	4.80%	100.64	\$ 35,224.35	\$ 33,250.00	\$ (1,974.35)	4.77%	\$ 1,680.00						
	Sub-Total			\$ 35,224.35	\$ 33,250.00	\$ (1,974.35)		\$ 1,680.00						
Corporate Notes and Bonds														
American Cyanamid														
\$ 500,000.00	due 4/15/01	7.37%	100.50	\$ 502,500.00	\$ 493,750.00	\$ (8,750.00)	7.34%	\$ 36,875.00						
250,000.00	Avco Financial Inc. due 12/1/97	7.62%	98.09	245,237.50	243,750.00	(1,487.50)	7.77%	19,062.00						
500,000.00	Baltimore Gas & Electric due 7/1/02	7.50%	100.25	501,250.00	493,750.00	(7,500.00)	7.48%	37,500.00						
500,000.00	Beneficial Corporation due 2/1/02	7.45%	100.37	501,875.00	490,625.00	(11,250.00)	7.42%	37,250.00						
500,000.00	Bethlehem Steel Corporation due 5/15/00	9.00%	111.25	556,250.00	547,500.00	(8,750.00)	8.09%	45,000.00						
500,000.00	Caterpillar Tractor Company due 6/1/92	5.30%	82.39	411,950.00	403,125.00	(8,825.00)	7.00%	26,500.00						
500,000.00	Citizens Mortgage Trust Co. due 4/15/80	8.50%	98.87	494,375.00	493,750.00	(625.00)	8.60%	42,500.00						
750,000.00	Commonwealth Edison Inc. due 6/1/03	7.625%	100.25	751,875.00	748,125.00	(3,750.00)	7.61%	57,187.00						
500,000.00	Crown Zellerbach Corp. due 3/15/00	8.875%	112.00	560,000.00	539,065.00	(20,935.00)	7.92%	44,375.00						

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Assets Owned
as of June 30, 1973

Par Value or Number of Shares	Description	Coupon Rate or Annual Dividend	Average Unit Cost	Dollar Cost	Market Price	Market Value	Market Value Over Cost	Yield* at Cost	Current** Annualized Income
Corporate Notes and Bonds *									
	Continued								
\$ 500,000.00	Dow Chemical Corporation due 11/1/00	8.90%	111.75	\$ 558,750.00	\$ 553,750.00	\$ (5,000.00)	7.96%	\$ 44,500.00	
500,000.00	Goodyear Tire & Rubber Corp. due 9/30/95	8.60%	108.62	543,125.00	535,000.00	(8,125.00)	7.92%	43,000.00	
500,000.00	Great American Mortgage Trust due 4/1/83	8.75%	100.00	500,000.00	512,500.00	12,500.00	8.75%	43,750.00	
1,500,000.00	International Telephone & Telegraph due 10/1/95	8.90%	112.25	1,683,750.00	1,608,750.00	(75,000.00)	7.93%	133,500.00	
1,000,000.00	Monsanto Chemical Corp. due 7/1/02	9.125%	112.68	1,126,875.00	1,095,000.00	(31,875.00)	8.10%	91,250.00	
250,000.00	Ohio Edison Electric Company due 6/1/02	7.50%	101.00	252,500.00	246,875.00	(5,625.00)	7.42%	18,750.00	
500,000.00	Pacific Gas & Electric Company due 6/1/04	7.50%	99.39	496,950.00	494,375.00	(2,575.00)	7.55%	37,500.00	
500,000.00	R.C.A. Corporation due 6/1/90	9.25%	112.37	561,875.00	550,000.00	(11,875.00)	7.92%	46,250.00	
250,000.00	Sears Roebuck & Co. due 8/1/83	4.75%	84.49	211,241.00	206,875.00	(4,366.00)	6.85%	11,875.00	
250,000.00	Shell Oil Company due 2/15/02	7.25%	98.50	246,250.00	243,750.00	(2,500.00)	7.37%		
500,000.00	Shell Oil Company due 9/15/00	8.50%	109.75	548,750.00	530,625.00	(18,125.00)	7.74%	42,500.00	
250,000.00	Texaco, Inc. due 1/1/01	7.75%	103.25	258,125.00	255,625.00	(2,500.00)	7.47%	18,125.00	
750,000.00	Travelers Corporation due 8/1/95	8.70%	108.16	811,250.00	806,250.00	(5,000.00)	7.88%	65,250.00	
1,160,000.00	Union Tank Car, Inc. due 6/1/87	6.00%	89.19	1,034,604.67	997,600.00	(37,004.67)	7.20%	69,600.00	
495,000.00	Virginia Electric Company due 9/1/00	8.875%	109.75	543,262.50	536,456.00	(6,806.50)	7.99%	43,931.00	
250,000.00	Westinghouse Electric Company due 9/1/95	8.625%	109.00	272,500.00	265,937.00	(6,563.00)	7.77%	21,562.00	
1,750,000.00	Weyerhaeuser Company due 10/1/00	8.625%	109.25	1,911,875.00	1,885,625.00	(26,250.00)	7.89%	150,937.00	
	Sub-Total			<u>\$16,086,995.67</u>	<u>\$15,778,433.00</u>	<u>\$308,562.67</u>		<u>\$1,247,204.00</u>	<u>\$2,614,070.32</u>
	Total - Fixed Income Marketable Issues			<u>\$29,367,033.27</u>	<u>\$28,782,626.00</u>	<u>\$6584,407.27</u>			

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Assets Owned
as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Description</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Yield*</u>	<u>Current** Annualized Income</u>
FIXED INCOME PRIVATE PLACEMENTS								
\$ 1,000,000.00	MGIC Mortgage Corporation Notes due 12/15/77	7.75%	100.00	\$ 1,000,000.00	\$ 990,000.00	\$ (10,000.00)	7.75%	\$ 77,500.00
	Sub-Total			\$ 1,000,000.00	\$ 990,000.00	\$ (10,000.00)		\$ 77,500.00
	FHA Mortgages							
	Alaska Mutual Savings Bank	6.75%		\$ 125,904.97	\$		7.07%	\$ 8,901.48
	Alaska Mutual Savings Bank	7.50%		711,662.00			7.77%	55,296.14
	Alaska Mutual Savings Bank	8.50%		259,278.82			8.00%	20,742.31
	Alaska Mutual Savings Bank	5.25%		314,360.74			5.20%	16,346.76
	Alaska State Bank	6.00%		528,607.81			6.00%	31,716.47
	Alaska State Bank	6.75%		138,697.83			7.07%	9,805.94
	Alaska State Bank	7.00%		2,605,126.52			7.35%	19,147.68
	Alaska State Bank	7.50%		838,278.92			7.65%	64,128.34
	Alaska State Bank	7.50%		74,671.49			7.40%	5,555.69
	Alaska State Bank	7.50%		195,587.74			7.40%	14,473.49
	Alaska State Bank	8.00%		548,019.57			8.69%	47,622.90
	Alaska State Bank	8.50%		315,667.81			7.40%	23,359.42
	Alaska State Bank	8.50%		30,164.10			5.21%	1,571.55
	Alaska State Bank	5.25%		221,018.36			5.63%	12,443.33
	Coast Mortgage Company, ABC	5.75%		355,866.85			6.00%	21,351.89
	Coast Mortgage Company, ABC	6.00%		1,059,091.35			7.30%	77,313.67
	Coast Mortgage Company, ABC	7.00%		323,285.83			7.92%	25,604.24
	Coast Mortgage Company, ABC	7.50%		635,865.72			5.16%	32,810.67
	First National Bank of Anchorage	5.25%		57,060.16			5.28%	3,012.78
	First National Bank of Anchorage	5.50%		98,803.16			5.11%	5,048.85
	First National Bank of Anchorage	5.75%		513,581.66			7.40%	38,005.04
	First National Bank of Anchorage	7.00%		1,265,651.17			7.92%	100,239.57
	First National Bank of Anchorage	7.50%		1,100,904.90			8.39%	92,365.92
	First National Bank of Anchorage	8.50%		62,161.99			5.61%	3,487.29
	National Bank of Alaska	5.25%		1,019,823.32			6.24%	63,636.98
	National Bank of Alaska	6.00%		813,958.81			8.25%	67,151.60
	National Bank of Alaska	8.50%		951,708.62			7.307	69,474.73
	National Bank of Alaska	7.00%		59,985.90			7.31%	4,384.97
	National Bank of Alaska	7.50%		21,315.77			4.75%	1,012.50
	National Bank of Alaska	5.25%		315,246,109.83(1)				\$ 935,982.20
	Sub-Total							
	Small Business Loans							
	Alaska State Bank	8.75%					8.25%	\$ 23,900.00
	Alaska State Bank	8.00%					7.50%	46,772.86

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND

Assets Owned

as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Market Value Over Cost</u>	<u>Yield* at Cost</u>	<u>Current** Annualized Income</u>
<u>Small Business Loans - Continued</u>								
National Bank of Alaska	8.00%	\$ 432,192.72	\$ 1,285,171.54	\$ 8,361.78	\$ 184,278.68	\$ 2,823,359.79(1)	7.50%	\$ 32,414.45
Peoples Bank and Trust	8.00%	\$ 1,285,171.54	\$ 8,361.78	\$ 184,278.68	\$ 2,823,359.79(1)	\$ 2,823,359.79(1)	7.50%	\$ 96,387.87
Peoples Bank and Trust	8.25%	\$ 8,361.78	\$ 184,278.68	\$ 2,823,359.79(1)	\$ 2,823,359.79(1)	\$ 2,823,359.79(1)	7.75%	\$ 691.50
Peoples Bank and Trust	8.75%	\$ 184,278.68	\$ 2,823,359.79(1)	\$ 2,823,359.79(1)	\$ 2,823,359.79(1)	\$ 2,823,359.79(1)	8.25%	\$ 15,203.00
Sub-Total								\$ 215,369.63
<u>Division of Veterans Affairs Mortgages</u>								
Veterans Administration Mortgages		\$ 190,010.01	\$ 190,010.01(1)	\$ 190,010.01(1)	\$ 190,010.01(1)	\$ 190,010.01(1)	4.50%	\$ 8,550.45
Sub-Total		\$ 190,010.01(1)						\$ 8,550.45
<u>Veterans Administration - 90% Participation Certificates</u>								
Public Employees Retirement - Certificates #3 & #4		\$ 46,291.51	\$ 65,469.80	\$ 39,486.66	\$ 56,011.20	\$ 171,176.94	5.00%	\$ 2,314.58
Public Employees Retirement - Certificate #5						10,783.83	5.50%	3,600.84
Public Employees Retirement - Certificate #7						203,577.75	5.50%	2,171.77
Public Employees Retirement - Certificate #8							7.04%	3,943.19
Public Employees Retirement - Certificate #11							7.615%	13,035.12
Public Employees Retirement - Certificate #15							8.65%	932.80
Public Employees Retirement - Certificate #17							8.76%	17,833.41
Sub-Total		\$ 592,797.69(1)						\$ 43,831.71
<u>Deposits with Federal Savings & Loan Associations</u>								
Alaska Federal Savings & Loan Assn. due 1/1/74		6.00%	\$ 325,000.00	\$ 425,000.00	\$ 200,000.00	\$ 325,000.00	6.00%	\$ 19,500.00
First Federal Savings & Loan Assn. of Anchorage due 7/1/73		7.50%					7.50%	31,875.00
First Federal Savings & Loan Assn. of Anchorage due 3/29/75		7.50%					7.50%	15,000.00
First Federal Savings & Loan Assn. of Fairbanks due 5/1/74		6.00%					6.00%	19,500.00

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Assets Owned
as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Yield* at Cost</u>	<u>Current** Annualised Income</u>
<u>Description</u>							
\$ 250,000.00	7.50%	\$ 250,000.00	\$ 250,000.00	\$ 9	\$ 9	7.50%	\$ 18,750.00
First Federal Savings & Loan Association - Cont.Ind.							
First Federal Savings & Loan Assn. of Fairbanks due 12/21/74	7.50%	\$ 300,000.00	\$ 300,000.00	\$ 6,000	\$ 18,000.00	6.00%	
First Federal Savings & Loan Assn. of Fairbanks due 2/8/75	6.00%	\$ 100,000.00	\$ 100,000.00	\$ 7,500	\$ 7,500.00	7.50%	
First Federal Savings & Loan Assn. of Fairbanks due 2/8/75	7.50%	\$ 100,000.00	\$ 100,000.00	\$ 7,500	\$ 7,500.00	7.50%	
First Federal Savings & Loan Assn. of Fairbanks due 10/25/74	7.50%	\$ 2,025,000.00(1)	\$ 2,025,000.00(2)	\$ 137,625.00	\$ 137,625.00		
Sub-Total							
Total - Fixed Income Private Placements		\$21,877,477.38	\$21,867,277.38	\$ (10,000.00)	\$14,418,852.04		
<u>CONVERTIBLE SECURITIES</u>							
\$ 250,000.00	5.75%	114.00	\$ 287,186.05	\$ 162,500.00	\$ (124,886.05)	5.00%	\$ 14,375.00
Zayre Corporation due 12/15/94			\$ 287,386.05	\$ 162,500.00	\$ (124,886.05)		
Sub-Total							\$ 14,375.00
<u>Convertible Preferred Stock</u>							
1,000 Baltimore Gas & Electric Co.	6.50%	116.90	\$ 116,906.40	\$ 91,625.00	\$ (25,281.40)	5.56%	\$ 6,500.00
2,369 Certain-Teed Products	.90%	44.66	105,796.93	79,361.50	(26,435.43)	2.00%	2,132.00
200 Continental Corporation Series A	2.50%	61.23	12,247.08	8,200.00	(4,047.08)	4.10%	500.00
800 Indianapolis Power & Light	6.25%	114.75	91,803.43	73,600.00	(18,203.43)	5.47%	5,000.00
Sub-Total			\$ 326,753.82	\$ 252,786.50	\$ (73,967.34)		
Total - Convertible Securities			\$ 614,139.82	\$ 415,286.50	\$ (198,853.39)		
<u>COMMON STOCKS</u>							
10,000 Aetna Life & Casualty Co.	1.76	\$ 624,274.48	65,625	\$ 656,250.00	\$ 31,975.52	2.82%	\$ 17,600.00
17,000 Allegheny Power Systems	1.44	21.29	361,865.68	20,625	350,625.00	6.76%	24,480.00
7,000 Aluminum Company of America	1.94	52.85	369,958.40	58,250	407,750.00	3.67%	13,580.00
10,000 American Tel. & Tel.	2.80	48.79	487,865.10	51,125	511,250.00	5.74%	28,000.00
12,000 Baltimore Gas & Electric	1.96	30.46	365,477.24	28,000	336,000.00	(29,477.24)	23,520.00
20,000 Bankamerica Corporation	1.18	37.11	742,244.29	43,500	870,000.00	127,755.71	23,600.00

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Assets Owned
as of June 30, 1973

Par Value or Number of Shares	Description	Coupon Rate or Annual Dividend	Average Unit Cost	Dollar Cost	Market Price	Market Value	Yield* at Cost	Current** Annualized Income
COMMON STOCKS - Continued								
18,000	Campbell Soup Company	1.18	33.56	\$ 604,120.69	29.125	\$ 524,250.00	(79.870.69)	3.52%
16,000	Celanese Corporation	2.00	54.59	871,853.64	32.125	514,000.00	(157,853.64)	3.66%
15,000	Central Illinois Public Service	1.20	20.16	302,454.12	15.750	236,250.00	(66,195.12)	32,000.00
1,658	Certain-Tied Products, Inc.	.50	24.18	40,095.59	16.750	27,771.50	(12,724.09)	18,000.00
23,000	Continental Can Company	1.60	31.41	722,513.61	26.375	606,625.00	(115,888.61)	5.95%
11,360	Continental Corporation	2.16	38.82	441,012.40	38.000	421,680.00	(9,732.40)	36,800.00
30,000	Continental Telephone Corp.	.88	20.94	628,332.81	23.500	705,000.00	(66,667.19)	24,539.00
1,560	Conver, Inc.	.84	54.66	87,462.56	37.000	59,200.00	(28,362.56)	26,400.00
26,000	Evans Products	.40	21.31	554,116.50	13.375	367,750.00	(206,366.50)	1.54%
7,000	Exxon, Inc.	3.80	72.82	509,745.17	98.500	689,500.00	(179,754.83)	10.400.00
9,000	General Motors Corporation	78.35	4.55	705,113.03	66.500	598,500.00	(106,613.03)	26,600.00
30,000	Greyhound Corporation	1.04	19.18	575,296.51	14.000	420,000.00	(155,996.51)	4,347
14,000	Grolier, Inc.	.90	22.58	316,146.20	10.500	347,000.00	(169,146.20)	31,200.00
15,000	Harris Intertape	1.00	51.10	766,518.38	26.125	391,875.00	(374,643.38)	12,603.00
17,000	Illinois Central Industries	1.22	33.17	563,907.10	18.625	316,525.00	(247,282.10)	1.95%
13,000	Indianapolis Power & Light	1.62	28.56	371,246.56	26.375	342,875.00	(28,371.45)	5.68%
16,000	International Paper Company	1.56	35.57	569,072.35	34.125	548,000.00	(21,072.35)	4,347
16,000	Magnavox Company	.60	43.34	693,423.46	8.750	160,000.00	(553,423.46)	5.42%
40,000	Mead Corporation	.60	18.54	741,624.85	13.125	525,000.00	(216,624.85)	1.38%
16,000	Pacific Gas & Electric	1.78	31.62	505,922.15	28.000	448,000.00	(57,922.15)	9,600.00
20,600	Richmond Corporation	.52	20.35	406,949.50	17.250	345,000.00	(61,949.50)	2,22%
10,090	Safeco Corporation	.90	40.73	407,316.60	45.750	457,500.00	(50,183.40)	2,112
25,000	Southern California Edison	1.56	29.19	729,786.52	23.125	581,250.00	(148,536.52)	9,000.00
2,400	U. S. Freight	1.40	28.50	68,390.32	17.500	42,000.00	(26,390.32)	3,360.00
36,000	United Telecommunications	1.00	19.47	666,810.97	20.375	733,500.00	(68,699.93)	36,000.00
25,000	Western Bancorporation	1.40	32.10	802,529.21	28.125	703,725.00	(99,404.21)	35,000.00
	Sub-Total			<u>\$16,601,449.98</u>		<u>\$14,014,151.50</u>	<u>\$12,587,289.48</u>	<u>3.661,108.92</u>
	Total - Common Stocks							
	Grand Total - Investments			<u>\$72,595,808.41</u>		<u>\$76,215,258.27</u>	<u>\$13,181,626.75</u>	<u>\$690,286.00</u>

FOOTNOTES:

* This column displays yield to maturity calculated on the purchase price or remaining principal value. Percentage figures shown are net of service fees, discounts, or premiums paid.

** This column reflects the projected annual income which would be received on all of the assets held as of June 30, 1973, assuming that there will be no changes in assets during the following year. Of course, there will be changes due to maturities, sales and swaps in these assets as well as the acquisition of additional assets throughout the year with monies received from cash flows.

The purpose for including this information is to provide the reader with comparable data displayed in previous annual reports. See Time Weighted return analysis presented in the Introduction.

(1) The amounts shown as dollar cost of mortgages represent the remaining principal balances due.

(2) Cost values and market values are assumed to be identical for fixed income private placements.

MARSH & McLENNAN

October 10, 1973

Mr. Joseph R. Henri
Commissioner of Administration
State of Alaska
Department of Administration
Pouch C
Juneau, Alaska 99801

Actuarial Status - Alaska Public Employees Retirement System

Dear Commissioner Henri:

This is a brief statement to outline the actuarial status of the Alaska Public Employees Retirement System.

The actuarial valuation which we perform each year with respect to the Alaska Public Employees Retirement System has the following objectives:

- (1) To examine the status of funding of the System.
- (2) To develop contribution rates for each participating employer in the System which are adequate to support the benefits of the System.

Based upon the actuarial method and assumptions shown in Exhibit I, the contribution levels shown in Exhibit II are adequate to support the benefits of the System.

Although the funding levels vary by employer, the funding status of the System as a whole can be shown as follows:

(1) Present value of all benefits earned to the valuation date (December 31, 1971)	\$57,570,702
(2) Values of assets of the System	\$40,778,241
(3) Funding ratio ((2)/(1))	71.47%

This means that the assets of the System are sufficient to cover 71.47% of the liabilities for benefits earned to the date of the valuation.

This is a very respectable funding level given the age of the System and the improvements in the System enacted since its inception. However, the level of the funding ratio in and of itself is not so significant as is the progression of these ratios on a year-by-year basis.

MARSH & McLENNAN

Mr. Joseph R. Henri
Commissioner of Administration

- 2 -

October 10, 1973

In summary, my opinion would be that the funding progress of the System is satisfactory, and the contribution levels shown in Exhibit II are satisfactory to support the benefits of the System.

Respectfully submitted,

Norman S. Losk, FSA
Actuary

NSL:rs

Enclosures

EXHIBIT I

ACTUARIAL METHOD AND ASSUMPTIONS

I. Actuarial Method

The actuarial method used in this valuation is known as the Aggregate Method with Supplemental Liability. Under this method, the Consolidated Employer Contribution Rate is determined as follows:

- (1) The present value of all benefits accrued and expected to be earned in the future are calculated, taking into account expected levels of mortality, turnover, disability, salary increases, and investment performance.
- (2) Such present value of benefits is reduced by the sum of:
 - (a) The present value of future employee contributions, taking into account the same items as enumerated in (1) above, and
 - (b) The liability for benefits earned to the valuation date.
- (3) The Consolidated Employer Contribution Rate as a percentage of active life payrolls is determined by dividing the Present Value of Future Employer Normal Costs by the present value of future salaries, calculated taking into account those factors enumerated in item (1) above.

The total Employer Contribution Rate for each participating employer is the Consolidated Employer Contribution Rate plus that contribution rate sufficient to fund the unfunded accrued benefit liabilities of such employee over 40 years.

This method effectively spreads the cost of benefits to be earned in the future over the expected future working lifetime of the currently covered group. It has the advantage that the effect of actuarial gains and losses (which arise from actual experience that deviates from the actuarial assumptions used) is automatically spread over this period.

II. Actuarial Assumptions

The following assumptions were used as the basis for the valuations included in this report:

- (1) Investment Yield: 5% per annum, net of expenses
- (2) Assets: Valued at cost
- (3) Experience: Active Employees
 - (a) Retirement Age - Police & Fire 55 or 20 years Service.
- Others 60 or 30 years Service.
 - (b) Disability - Special Table
 - (c) Separation - Special Table derived from PERS experience
 - (d) Mortality - 1951 Group Annuity Projection "C" to 1965
 - (e) Earnings Progression - 3-1/2% increase per year
- (4) Experience: Pensioners and Beneficiaries
 - (a) Mortality - Retired - 1951 Group Annuity Projection "C" to 1965
 - (b) Disabled - 1944 Disabled Railway Employees Select Mortality Table
- (5) Loading: None

EXHIBIT II

PENSION CONTRIBUTION LEVELS
 For
 1973-74

<u>Employer</u>	<u>Percentage of Involved Payroll</u>
Alaska Municipal League	6.58%
Anchorage Borough Schools	6.09%
City of Fairbanks	6.22%
City of Haines	6.13%
City and Borough of Juneau	5.64%
City of Kenai	5.33%
City of Kodiak	6.94%
City and Borough of Sitka	6.45%
City of Skagway	5.79%
City of Soldotna	4.76%
City of Valdez	5.43%
Greater Anchorage Borough	5.80%
Ketchikan Gateway Borough	4.76%
Matanuska-Susitna Borough	6.74%
North Star Borough	5.71%
State of Alaska	5.41%
University of Alaska	5.23%

STATE OF ALASKA

T E A C H E R S '

R E T I R E M E N T

F U N D

BOARD MEMBERS

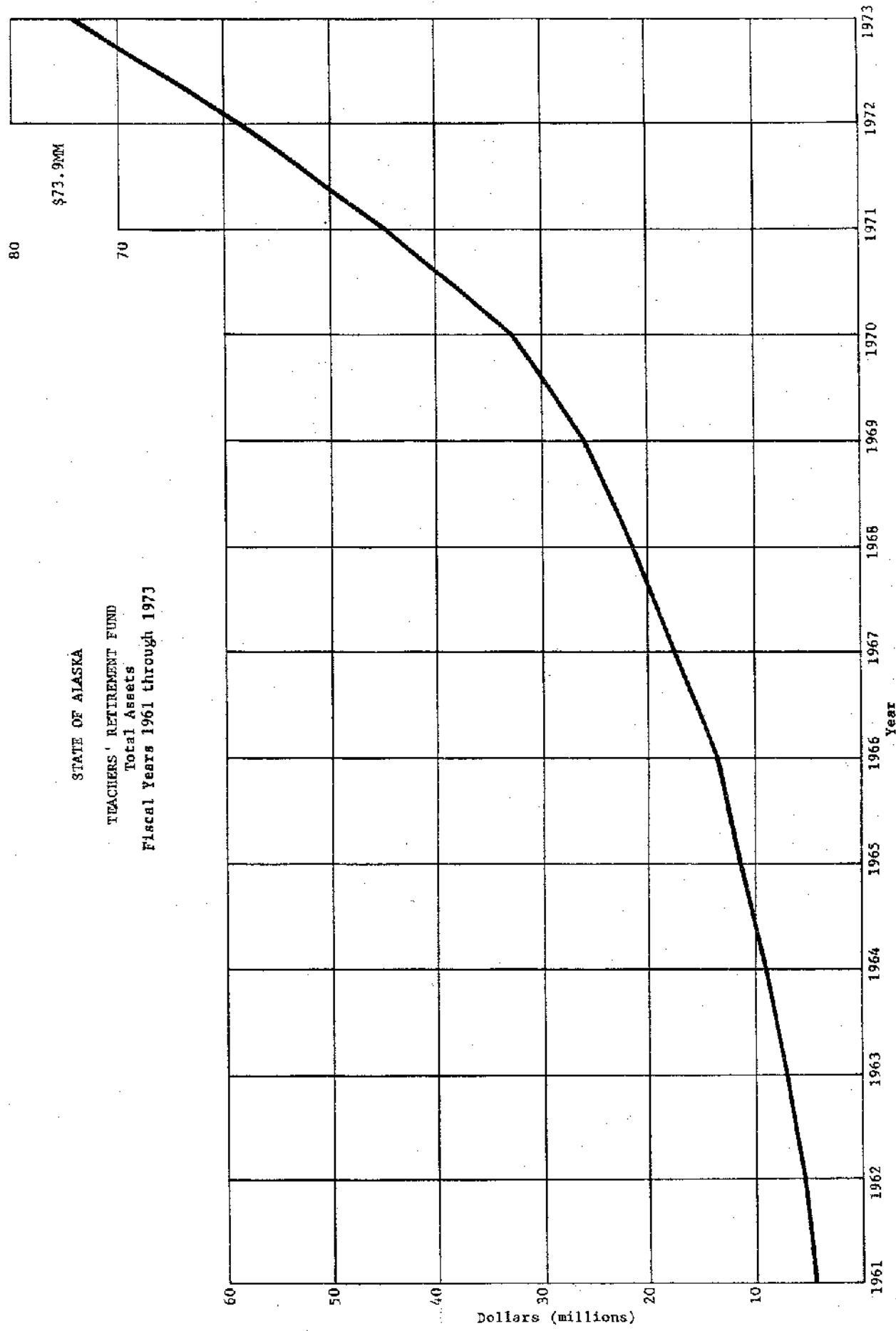
<u>Name</u>	<u>Term Expires</u>
Jerome W. Norum, Chairman	January 31, 1976
Clifford A. Berge	January 31, 1974
Ronald E. Castle	January 31, 1975
Leah J. Peterson	July 1, 1975
Mary Ellen Walsh	July 1, 1975

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
 Historical Data
 Fiscal Years 1961 through 1973
 (cents omitted)

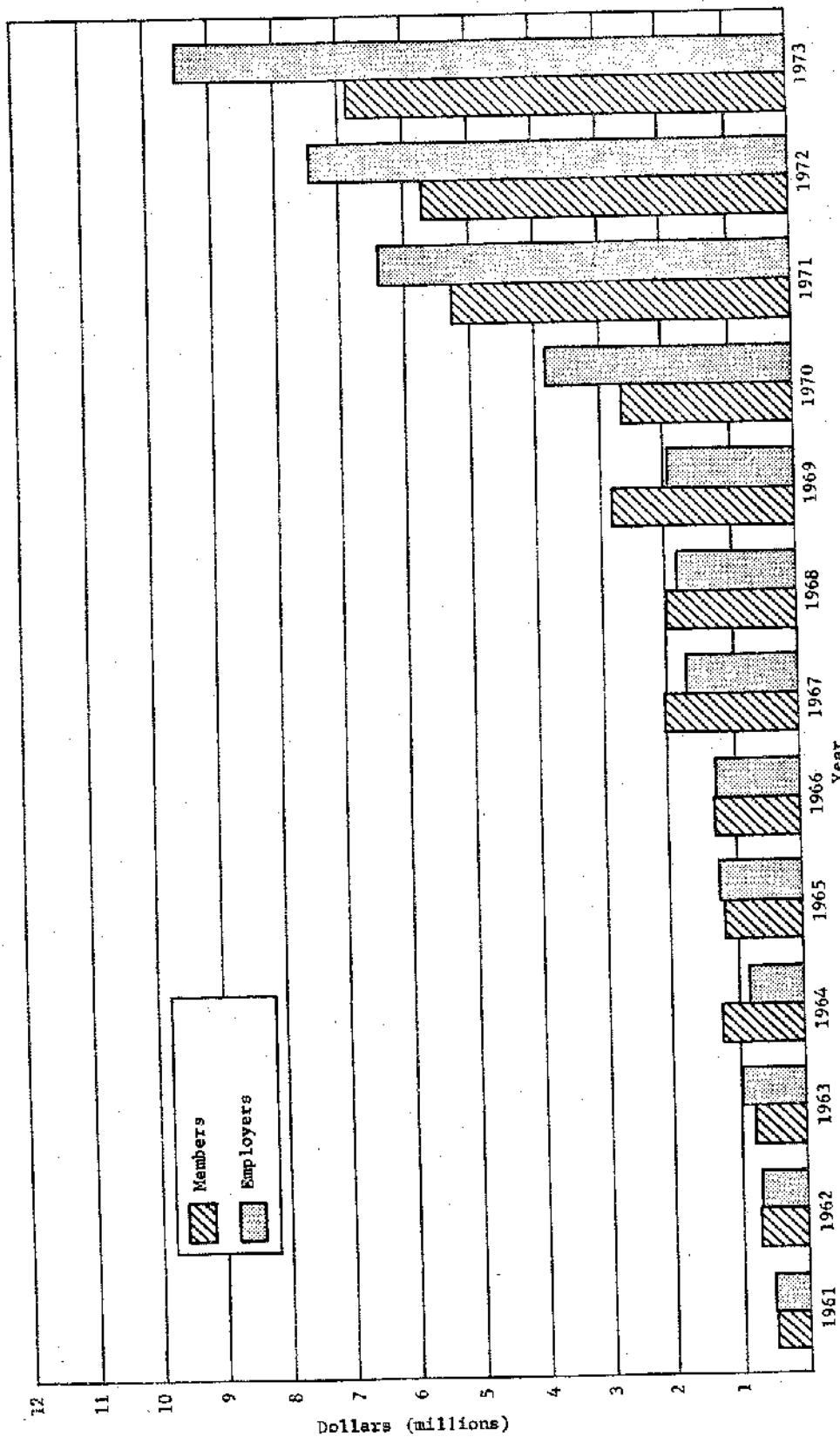
Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year	Members' Contributions During Fiscal Year	Benefits Paid		Investment Income During Fiscal Year
				Including Death Benefits	Fiscal Year	
1961	\$ 4,569,976	\$ 588,974	\$ 579,446	\$ 104,176	\$ 231,364	\$ 117,899
1962	5,725,438	669,964	689,859	117,077	241,276	173,471
1963	7,271,724	963,863	799,416	134,964	278,216	224,394
1964	9,196,555	809,290	1,218,334	161,828	273,449	353,987
1965	11,525,883	1,262,117	1,200,977	216,260	363,594	479,150
1966	13,950,410	1,290,307	1,297,780	257,287	391,343	532,712
1967	17,703,808	1,791,537	2,050,955	298,082	438,256	702,305
1968	21,397,071	1,864,630	2,002,459	402,205	532,155	871,778
1969	26,198,453	1,983,226	2,853,414	592,162	638,713	1,222,182
1970	32,867,233	3,854,210	2,622,059	907,777	644,974	1,839,574
1971	44,985,043	6,408,602	5,284,693	1,057,714	641,652	2,199,640
1972	58,400,298	7,470,707	5,713,570	1,817,534	790,808	2,931,286
1973	73,979,377	9,543,907	6,820,652	2,493,491	1,312,958	3,181,537

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Total Assets
Fiscal Years 1961 through 1973



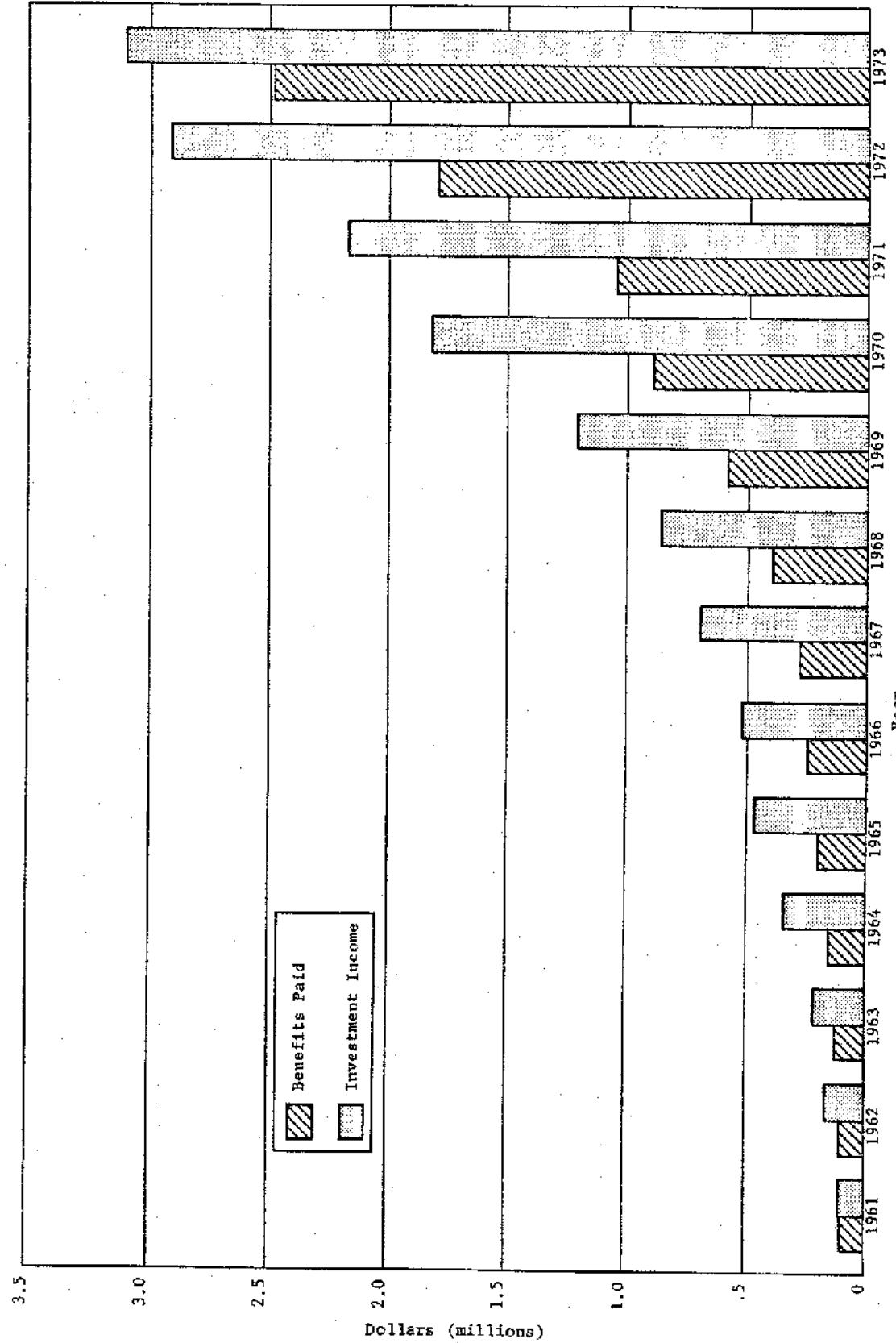
STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Members' and Employers' Contributions
Fiscal Years 1961 through 1973



STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Benefits Paid and Investment Income
Fiscal Years 1961 through 1973



STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Comparative Balance Sheet

<u>Fiscal Year Ended</u>	
<u>June 30,</u>	<u>June 30,</u>
<u>1973</u>	<u>1972</u>

ASSETS

Current Assets:		
Cash in Treasury	<u>\$ 533,666.83</u>	<u>\$ 892.45</u>
Investments:		
Certificates of Deposit and Savings Accounts	\$ 9,641,153.57	\$ 8,005,853.54
Commercial Paper		678,000.00
Common and Preferred Stocks	10,205,507.66	11,136,794.16
Convertible Issues	40,187.50	40,187.50
Corporate Bonds	15,269,974.47	7,984,652.78
Government Bonds and Agencies	19,860,632.60	16,708,796.20
Small Business Administration Loans	2,727,830.71	
Mortgages (FHA)	14,628,533.18	12,979,038.04
Mortgages (Veterans' Affairs)	523,299.23	800,666.89
Municipal Bonds	65,416.65	65,416.65
Treasury Bills	483,174.70	
Total Investments	<u>\$73,445,710.27</u>	<u>\$58,399,405.76</u>
 Total Current Assets	<u>\$73,979,377.10</u>	<u>\$58,400,298.21</u>

LIABILITIES, EQUITIES AND RESERVE

Current Liabilities:		
Deposit in Trust	\$ (2,014.09)	\$ 1,231.52
Equities:		
Members' Equities	30,081,641.98	21,904,533.83
Employers' Equities and Retirement Reserve	<u>43,899,749.21</u>	<u>36,494,532.86</u>
 Total Liabilities, Equities and Reserve	<u>\$73,979,377.10</u>	<u>\$58,400,298.21</u>

NOTE:

Market value of investments is approximately \$71,828,843.00 on June 30, 1973. See

Investment Report for details.

Legal Reference: AS 14.25.180

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1973	June 30, 1972
Beginning Equities, July 1	\$58,399,066.69	\$44,985,043.34
Additions:		
Members' Contributions:		
Mandatory	\$ 6,376,901.26	\$ 5,350,478.35
Reinstatement	29,162.45	20,860.57
Arrearages	186,842.65	146,531.23
Retroactive	17,186.29	9,047.41
Supplemental	210,559.06	186,652.64
Total Members' Contributions	<u>\$ 6,820,651.71</u>	<u>\$ 5,713,570.20</u>
Employers' Contributions	\$ 3,522,617.32	\$ 2,673,612.83
State Contributions:		
Mandatory	\$ 5,600,329.11	\$ 4,547,481.02
Arrearages	284,770.49	173,884.55
Retroactive	21,926.85	6,270.06
Cost of Living Allowance	114,262.85	69,458.22
Total State Contributions	<u>\$ 6,021,289.30</u>	<u>\$ 4,797,093.85</u>
Investments Income	\$ 3,181,536.56	\$ 2,931,285.90
Interest Earned on Members' Indebtedness	\$ 66,838.04	\$ 55,973.62
Total Additions	<u>\$19,612,932.93</u>	<u>\$16,171,536.40</u>
Total Beginning Equities and Additions	\$78,011,999.62	\$61,156,579.74
Deductions:		
Administrative Expenses:		
Personal Services	\$ 82,768.83	\$ 58,630.97
Travel	5,943.25	2,157.52
Contractual Services	66,670.88	61,422.43
Commodities	1,894.77	1,097.20
Equipment	2,169.04	33.00
Interagency Service	64,712.17	25,829.76
Total Administrative Expenses	<u>\$ 224,158.94</u>	<u>\$ 149,170.88</u>
Members' Contributions and Interest Refunded	\$ 1,312,958.34	\$ 790,808.08
Retirement Benefits Paid	2,493,491.15	1,817,534.09
Total Deductions	<u>\$ 4,030,608.43</u>	<u>\$ 2,757,513.05</u>
Ending Equities, June 30	\$73,981,391.19	\$58,399,066.69

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
 Stocks Purchased
 7/1/72 through 6/30/73

<u>Issue</u>	<u>Shares</u>	<u>Total Cost</u>
Aetna Life & Casualty Company	6,000	\$ 389,489.30
Aluminum Company of America	10,000	519,491.00
Armco Steel Corporation	10,000	221,404.35
Carrier Corporation	5,000	128,999.50
Firestone Tire & Rubber Company	10,000	230,291.09
Grolier, Inc.	10,000	181,056.10
Kraftco Corporation	5,000	226,262.00
Western Bancorporation	20,000	603,750.00
Total		<u>\$2,500,743.34</u>

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Common Stock Sales
7/1/72 through 6/30/73

<u>Issue</u>	<u>Shares</u>	<u>Total Cost</u>	<u>Proceeds</u>	<u>Gain or (Loss)</u>
Anchor Hocking Corporation	15,000	\$ 524,831.06	\$ 323,789.99	\$ (201,041.07)
E G & G Inc.	3,100	148,795.51	52,188.80	(96,606.71)
Grolier, Inc.	20,000	435,369.10	194,822.46	(240,546.64)
Ingersoll Rand Co.	2,460	143,597.98	166,331.98	22,734.00
Metromedia Inc.	2,705	124,946.49	85,797.98	(39,148.51)
Montana Power Company	4,500	144,142.91	145,173.82	1,030.91
J. C. Penny Company	6,000	424,912.49	518,985.30	94,072.81
Sears, Roebuck & Co.	4,900	411,543.40	551,557.72	140,014.32
F. W. Woolworth Co.	6,000	253,507.43	202,647.92	(50,859.51)
Total		\$2,611,646.37	\$2,241,295.97	\$ (370,350.40)

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Summary of Investments
as of 6/30/73

<u>Description</u>	<u>Dollar Cost</u>	<u>Per Cent of Total Investments</u>
Cash	\$ 27,053.57	.307%
Certificates of Deposit - Alaska Banks	4,750,000.00	6.468%
Certificates of Deposit - Bank of America	1,000,000.00	1.362%
Common Stocks	10,205,507.66	13.895%
Convertible Bonds	40,187.50	.054%
Corporate Bonds (Private Placement)	516,783.62	.704%
Corporate Bonds (Short Term)	48,992.50	.067%
Corporate Notes and Bonds	17,007,240.85	23.156%
CNMA Mortgage Backed Securities	6,303,979.90	8.583%
MGIC Mortgage Corporation Notes	1,000,000.00	1.362%
Mortgages, FHA	14,628,533.18	19.917%
Mortgages, SBA	2,727,830.71	3.714%
Mortgages, VA	170,828.05	.233%
Mortgages, VA Participation Certificates	352,471.18	.480%
Municipal Bonds	65,416.65	.089%
Repurchase Agreements	3,829,000.00	5.213%
Savings Account	35,100.00	.048%
U. S. Government Agencies	2,245,370.62	3.057%
U. S. Government Notes, Bonds, and Bills	8,491,414.28	11.561%
Total	\$73,445,710.27	100.000%

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Assets Owned
as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Description</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Market Value Over Cost</u>	<u>Yield* at Cost</u>	<u>Current** Annualized Income</u>
	<u>CASH</u>								
	Demand Cash	\$ 4.50%		\$ 27,053.57		\$ 27,053.57		4.50%	\$ 1,579.50
	Savings Account			\$ 35,100.00		\$ 35,100.00			\$ 1,579.50
	Sub-Total			\$ 62,153.57		\$ 62,153.57			
	Total - Cash			\$ 62,153.57		\$ 62,153.57			\$ 1,579.50
	<u>SHORT TERM DEBT ISSUES</u>								
\$3,400,000.00	Repurchase Agreements	7.86%		\$ 3,829,000.00		\$ 3,829,000.00		7.86%	\$ 26,700.00
	Sub-Total			\$ 3,829,000.00		\$ 3,829,000.00			\$ 26,700.00
\$1,000,000.00	Certificates of Deposit	7.75%		\$ 1,000,000.00		\$ 1,000,000.00		7.75%	\$ 79,500.00
	Bank of America due 10/23/73			\$ 1,000,000.00		\$ 1,000,000.00			\$ 79,500.00
	Sub-Total			\$ 1,000,000.00		\$ 1,000,000.00			\$ 79,500.00
\$ 180,000.00	U. S. Government Issues U. S. Treasury Bills due 8/2/73	99.24		\$ 173,633.30		\$ 178,633.30		7.10%	--
310,000.00	U. S. Treasury Bills due 9/20/73	98.23		\$ 304,541.40		\$ 304,541.40		7.38%	--
	Sub-Total			\$ 483,174.70		\$ 483,174.70			
\$ 40,000.00	Corporate Bonds Chicago Burlington due 7/15/73	4.00%		\$ 48,992.50		\$ 49,920.00		4.42%	\$ 2,000.00
	Sub-Total			\$ 48,992.50		\$ 49,920.00			\$ 2,000.00
	Total - Short Term Debt Issues			\$ 5,361,167.20		\$ 5,362,094.70			\$ 348,500.00
	<u>FIXED INCOME MARKETABLE ISSUES</u>								
\$1,000,000.00	U. S. Government Notes and Bonds U. S. Treasury Bonds due 5/15/98	7.00%		\$ 993,125.00		\$ 982,500.00		7.05%	\$ 70,000.00
	Sub-Total			\$ 993,125.00		\$ 982,500.00			\$ 70,000.00

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Assets Owned
as of June 30, 1973

Par Value or Number of Shares	Description	Coupon Rate or Annual Dividend	Average Unit Cost	Dollar Cost	Market Price	Market Value	Yield*		Current** Annualized Income
							at Cost	at Cost	
\$1,000,000.00	<u>U.S. Government Agencies</u>	7.05%	100.00	\$ 1,000,000.00	99.37	\$ 993,750.00	\$ (6,250.00)	7.05%	\$ 70,500.00
	Federal Home Loan Bank due 11/25/74	6.875%	100.00	500,839.37	97.25	487,064.34	(13,775.03)	6.875%	34,432.00
500,839.37	Farmers Home Administration due 8/31/77	6.80%	100.00	500,000.00	98.00	490,000.00	(10,000.00)	6.80%	34,000.00
500,000.00	Federal Land Bank Bonds due 10/23/79	6.60%	97.81	244,531.25	98.658	241,250.00	(3,281.25)	6.97%	16,500.00
250,000.00	Federal National Mortgage Assn. due 12/10/80	7.30%	100.00	1,000,000.00	99.50	995,000.00	(5,000.00)	7.30%	73,000.00
1,000,000.00	Federal Home Loan Bank due 5/25/83	8.625%	110.50	552,500.00	97.51	538,750.00	(13,750.00)	7.81%	43,125.00
500,000.00	International Bank due 8/1/95	7.40%	99.12	991,250.00	98.61	977,500.00	(13,750.00)	7.48%	74,000.00
1,000,000.00	Tennessee Valley Authority due 10/1/97	7.40%	100.79	1,007,187.50	97.05	977,500.00	(29,687.50)	7.46%	74,000.00
1,000,000.00	FNMA Capital Debentures due 10/1/97	7.10%	96.04	1,248,500.00	98.91	1,235,000.00	(13,500.00)	7.45%	92,300.00
1,300,000.00	FNMA due 12/10/97	7.35%	98.81	741,093.75	98.16	727,500.00	(13,593.75)	7.46%	55,125.00
750,000.00	Tennessee Valley Authority due 4/1/98	5.50%	86.75	4,337,500.00	98.56	4,275,000.00	(62,500.00)	7.68%	275,000.00
5,000,000.00	Government National Mortgage Assn. #2365 due 11/15/98	8.00%	106.74	896,045.70	95.33	852,258.00	(41,787.70)	7.49%	67,008.00
837,600.30	GNMA #327 due 2/15/01	7.15%	98.31	1,474,583.33	96.89	1,428,750.00	(45,833.33)	7.29%	107,250.00
1,500,000.00	General Services Administration due 12/15/02	9.10%	107.00	549,916.62	94.98	522,290.00	(27,626.62)	7.57%	46,768.00
513,938.91	GNMA #1250 due 10/15/11	7.00%	100.00	522,517.58	95.50	499,000.00	(23,517.58)	7.00%	36,576.00
522,517.58	GNMA #1599 due 7/15/12			\$15,564,465.10		\$15,240,612.34	\$ (323,852.76)		\$1,099,584.00
	Sub-Total								
	Municipal Bonds Alaska State Development due 8/1/83	4.80%	100.64	\$ 65,416.65	94.39	\$ 61,750.00	\$ 3,666.65	4.75%	\$ 3,120.00
§ 65,000.00	Sub-Total			\$ 65,416.65					\$ 3,120.00

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Assets Owned
as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Description</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Market Value Over Cost</u>	<u>Yield* at Cost</u>	<u>Current+ Annualized Income</u>
<u>Corporate Notes and Bonds</u>									
\$ 665,000.00	American Tel. & Tel. due 8/1/80	2.75%	75.22	\$ 500,239.60	99.70	\$ 498,750.00	\$ (1,489.60)	7.27%	\$ 18,287.50
200,000.00	Associates Corp. of North America due 4/1/77	8.50%	100.00	200,000.00	102.00	204,000.00	4,000.00	8.50%	17,000.00
250,000.00	Avco Financial Corp. due 12/1/97	7.62%	98.10	245,237.50	99.39	243,750.00	(1,487.50)	7.77%	19,062.50
500,000.00	B. F. Saul Debentures due 2/1/80	8.50%	100.00	500,000.00	99.37	496,875.00	(3,125.00)	8.50%	42,500.00
500,000.00	Baltimore Gas & Electric due 7/1/02	7.50%	100.25	501,250.00	98.50	493,750.00	(7,500.00)	7.48%	37,500.00
200,000.00	Beneficial Corporation due 11/15/76	8.50%	100.00	200,000.00	103.12	206,250.00	6,250.00	8.50%	17,000.00
500,000.00	Beneficial Finance due 2/1/00	7.45%	100.25	501,250.00	97.88	490,625.00	(10,625.00)	7.43%	37,250.00
500,000.00	Bethlehem Steel Corporation due 5/15/00	9.00%	111.25	556,250.00	98.43	547,500.00	(8,750.00)	8.09%	45,000.00
500,000.00	Citizens Mortgage Investors due 4/15/80	8.50%	100.12	494,375.00	98.87	493,750.00	(625.00)	8.60%	42,500.00
100,000.00	Clark Equipment Credit due 10/1/76	8.80%	100.00	100,000.00	102.00	102,000.00	2,000.00	8.80%	8,800.00
620,000.00	Commercial Credit Company due 2/15/77	6.87%	100.00	620,050.00	97.12	602,175.00	(17,875.00)	6.87%	42,625.00
250,000.00	Commonwealth Edison Company due 6/1/03	7.36%	100.25	250,625.00	99.50	249,375.00	(1,250.00)	7.36%	18,437.50
500,000.00	Crown Zellerbach Corporation due 3/15/00	8.87%	112.00	560,000.00	96.26	539,065.00	(20,935.00)	7.92%	44,375.00
220,000.00	Detroit Edison Company due 6/15/76	7.00%	101.61	223,540.00	99.63	219,175.00	(4,365.00)	6.46%	15,400.00
500,000.00	Dow Chemical Corporation due 11/1/00	8.90%	111.75	558,750.00	99.10	553,750.00	(5,000.00)	7.96%	44,500.00
100,000.00	First National Bank of Oregon due 2/15/80	6.75%	99.50	99,500.00	95.00	95,000.00	(4,500.00)	6.87%	6,750.00
100,000.00	Ford Motor Credit Company due 11/1/76	8.37%	100.38	100,375.00	102.50	102,500.00	2,125.00	8.29%	8,375.00
520,000.00	Frichauf Finance Company due 1/1/78	8.50%	101.16	526,040.00	99.50	517,400.00	(8,640.00)	7.28%	44,200.00
500,000.00	Goodyear Tire & Rubber due 9/30/95	8.60%	108.63	543,125.00	98.50	535,000.00	(8,125.00)	7.92%	43,000.00

STATE OF ALASKA
 TEACHERS' RETIREMENT FUND
 Assets Camed
 as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Description</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Market Value Over Cost</u>	<u>Yield at Cost</u>	<u>Current* Annualized Income</u>
Corporate Notes and Bonds									
Continued									
\$ 500,000.00	International Harvester Company due 9/1/95	8.62%	109.25	\$ 546,250.00	96.11	\$ 525,000.00	\$ (21,250.00)	7.89%	\$ 43,125.00
400,000.00	International Harvester Credit Corp. due 5/1/77	7.00%	100.69	402,750.00	97.00	388,000.00	(14,750.00)	6.82%	28,000.00
500,000.00	International Tel. & Tel. due 10/1/95	8.90%	110.75	553,750.00	96.839	536,250.00	(17,500.00)	8.04%	44,500.00
350,000.00	Macy Credit Corporation due 1/1/77	7.37%	101.77	356,187.50	100.00	350,000.00	(6,187.50)	6.87%	25,812.50
1,000,000.00	Monsanto Chemical Corp. due 7/1/02	9.12%	112.69	1,125,875.00	97.17	1,095,000.00	(31,875.00)	8.09%	91,250.00
500,000.00	Ohio Edison due 6/1/02	7.50%	101.00	505,000.00	97.77	493,750.00	(11,250.00)	7.43%	37,500.00
500,000.00	Pacific Gas & Electric due 6/1/80	7.50%	99.39	496,950.00	99.48	494,375.00	(2,575.00)	7.55%	37,500.00
500,000.00	Pacific Tel. & Tel. due 6/1/80	7.25%	100.00	500,000.00	99.00	495,000.00	(5,000.00)	7.25%	36,250.00
500,000.00	RCA Corporation due 6/1/90	9.25%	112.37	561,875.00	97.89	550,000.00	(11,875.00)	8.23%	46,250.00
250,000.00	Sears, Roebuck Debentures due 8/1/83	4.75%	84.49	211,235.00	97.93	206,875.00	(4,360.00)	5.62%	11,875.00
250,000.00	Shell Oil Company due 2/15/02	7.25%	98.63	246,562.50	98.86	243,750.00	(2,812.50)	7.35%	18,125.00
500,000.00	Shell Oil Company due 9/15/00	8.25%	100.00	175,000.00	101.00	176,750.00	1,750.00	8.25%	14,437.50
175,000.00	The Singer Company due 4/15/76	8.15%	100.00	100,000.00	101.00	101,000.00	1,000.00	8.15%	8,150.00
100,000.00	Skelly Oil Company due 5/1/76	8.50%	109.75	548,750.00	96.70	530,625.00	(18,125.00)	7.74%	6,875.00
100,000.00	Southern Natural Gas Company due 4/1/79	6.87%	99.60	99,600.00	95.62	95,625.00	(3,975.00)	6.92%	6,875.00
100,000.00	Swift & Company due 3/1/78	7.37%	100.00	100,000.00	100.00	100,000.00	---	7.37%	7,375.00
250,000.00	Texaco Corporation due 1/1/01	7.75%	103.25	258,125.00	99.03	255,625.00	(2,500.00)	7.51%	19,375.00
250,000.00	Travelers Corporation due 8/1/95	8.70%	108.50	271,250.00	99.08	268,750.00	(2,500.00)	8.02%	21,750.00

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Assets Owned
as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Description</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Market Value Over Cost</u>	<u>Yield* at Cost</u>	<u>Current** Annualized Income</u>
Corporate Notes and Bonds									
<i>Continued</i>									
\$ 750,000.00	Union Oil of California due 6/1/98	6.62%	94.43	\$ 708,232.50	97.03	\$ 687,187.00	\$ (21,045.50)	7.02%	\$ 49,687.50
492,000.00	Virginia Electric Company due 9/1/00	8.87%	109.75	\$ 539,970.00	98.75	\$ 513,205.00	\$ (6,765.00)	8.09%	\$ 43,665.00
250,000.00	Westinghouse Electric Company due 9/1/95	8.62%	108.71	\$ 271,781.25	97.85	\$ 265,937.00	\$ (58,442.50)	7.93%	\$ 21,562.50
250,000.00	Weyerhaeuser Corporation due 10/1/00	8.62%	110.00	\$ 275,000.00	97.95	\$ 269,375.00	\$ (5,625.00)	7.84%	\$ 21,562.50
1,000,000.00	Wisconsin Power & Light Co. due 8/1/98	6.25%	87.15	\$ 871,490.00	100.26	\$ 873,750.00	\$ 2,260.00	7.17%	\$ 62,500.00
	Sub-Total			\$17,007,240.85		\$16,726,519.00	\$ (280,721.85)		\$1,013,717.65
	Total - Fixed Income Marketable Issues			\$32,630,247.60		\$32,011,381.14	\$ (618,866.46)		\$2,186,421.65
FIXED INCOME PRIVATE PLACEMENTS									
Corporate Notes and Bonds									
\$1,000,000.00	MIC Mortgage Corporation Notes due 12/15/77	7.75%	100.00	\$ 1,000,000.00		\$ 990,000.00	\$ (10,000.00)	7.75%	\$ 77,500.00
500,000.00	Unionamerica Corporation Bonds due 1/8/75	9.50%	103.35	\$ 516,783.62	103.52	\$ 517,600.00	\$ 816.38	7.06%	\$ 47,500.00
	Sub-Total			\$1,516,783.62		\$1,607,600.00	\$ (9,183.62)		\$ 125,000.00
FHA Mortgages									
	Alaska Mutual Savings Bank	6.00%	\$ 680,117.15					6.39%	\$ 43,459.49
	Alaska Mutual Savings Bank	6.75%	\$ 302,628.33					7.07%	\$ 21,395.82
	Alaska Mutual Savings Bank	7.50%	\$ 695,034.01					7.84%	\$ 54,490.67
	Alaska Mutual Savings Bank	8.00%	\$ 164,852.96					7.92%	\$ 13,056.35
	Alaska Mutual Savings Bank	8.50%	\$ 758,650.12					8.00%	\$ 60,692.01
	Alaska National Bank	5.75%	\$ 114,366.96					5.43%	\$ 6,210.13
	Alaska State Bank	5.25%	\$ 384,448.69					5.19%	\$ 19,952.89
	Alaska State Bank	6.00%	\$ 618,814.49					5.94%	\$ 36,757.58
	Alaska State Bank	7.00%	\$ 476,732.68					7.30%	\$ 34,801.49
	Alaska State Bank	7.50%	\$ 73,831.51					7.30%	\$ 5,389.70
	Alaska State Bank	8.50%	\$ 584,895.23					8.76%	\$ 51,236.82
	Alaska State Bank	8.50%	\$ 128,800.71					7.30%	\$ 9,402.45

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Assets Owned
as of June 30, 1973

<u>Description</u>	<u>Par Value or Number of Shares</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Yield* at Cost</u>	<u>Current** Annualized Income</u>
PHA Mortgagors - Continued					\$	\$ 9,875.30		
Coast Mortgage Company, (ABC)		5.25%			189,545.08		5.21%	\$ 9,875.30
Coast Mortgage Company, (ABC)		6.00%			228,866.66		5.94%	13,594.68
Coast Mortgage Company, (ABC)		7.50%			370,720.58		7.55%	27,989.40
Coast Mortgage Company, (ABC)		8.50%			479,293.44		8.64%	41,410.95
First National Bank of Anchorage		5.25%			263,576.11		4.88%	12,862.51
First National Bank of Anchorage		5.50%			39,535.36		5.18%	2,047.93
First National Bank of Anchorage		5.75%			325,321.89		5.01%	16,298.63
First National Bank of Anchorage		7.50%			1,854,421.94		8.03%	148,910.08
First National Bank of Anchorage		8.50%			1,657,731.07		8.53%	141,004.46
National Bank of Ketchikan		5.25%			13,208.98		5.12%	1,700.30
National Bank of Alaska		5.25%			53,092.11		5.30%	2,813.88
National Bank of Alaska		6.00%			189,520.22		6.12%	11,598.64
National Bank of Alaska		7.00%			1,507,076.02		7.30%	256,016.55
National Bank of Alaska		7.50%			153,648.38		7.19%	11,047.32
National Bank of Alaska		8.00%			239,752.34		7.19%	17,238.19
Peoples Bank & Trust Co.		7.50%			60,050.16		7.50%	4,503.76
Sub-Total					\$14,628,533.18(1)			\$1,076,157.98
Small Business Loans					\$ 681,504.82		7.50%	\$ 51,112.86
Alaska National Bank of Fairbanks		8.00%			\$ 2,046,325.89		7.50%	\$ 153,474.44
National Bank of Alaska		8.00%			\$ 3,272,830.71(1)			\$ 204,587.30
Sub-Total					\$ 2,727,830.71(2)			
Division of Veterans Affairs Mortgages					\$ 170,828.05		4.50%	\$ 7,687.26
Veterans Administration Mortgages					\$ 170,828.05(1)			\$ 7,687.26
Veterans Administration - 90%								
Participation Certificates					\$ 73,422.00		5.00%	\$ 3,671.10
Teachers Retirement -					10,430.70		7.09%	739.54
Certificates #1 & #2					68,351.25		7.11%	4,859.77
Teachers Retirement -					59,177.14		7.07%	4,183.82
Certificate #10					141,090.09		8.76%	12,359.49
Certificates #11								\$ 33,500.98
Certificates #12								\$ 352,471.18(1)
Certificates #16								\$ 352,471.18(2)
Sub-Total								

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Assets Owned
as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Description</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Yield* at Cost</u>	<u>Current** Annualized Income</u>
Deposits with Mutual Savings Banks and Federal Savings & Loan Associations								
\$ 300,000.00	Alaska Federal Savings & Loan Assn. due 7/1/73	6.00%	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	6.00%	\$ 18,000.00
100,000.00	Alaska Federal Savings & Loan Assn. due 10/13/73	7.50%	100,000.00	100,000.00	100,000.00	100,000.00	7.50%	7,500.00
300,000.00	Alaska Federal Savings & Loan Assn. due 7/1/74	6.00%	300,000.00	300,000.00	300,000.00	300,000.00	6.00%	18,000.00
500,000.00	Alaska Federal Savings & Loan Assn. due 10/12/74	6.00%	500,000.00	500,000.00	500,000.00	500,000.00	6.00%	30,000.00
200,000.00	First Federal Savings & Loan Assn. of Anchorage due 10/13/73	7.50%	200,000.00	200,000.00	200,000.00	200,000.00	7.50%	15,000.00
500,000.00	First Federal Savings & Loan Assn. of Anchorage due 10/25/73	6.00%	500,000.00	500,000.00	500,000.00	500,000.00	6.00%	30,000.00
100,000.00	First Federal Savings & Loan Assn. of Anchorage due 10/25/73	7.50%	100,000.00	100,000.00	100,000.00	100,000.00	7.50%	7,500.00
550,000.00	First Federal Savings & Loan Assn. of Anchorage due 7/1/74	6.00%	550,000.00	550,000.00	550,000.00	550,000.00	6.00%	33,000.00
550,000.00	First Federal Savings & Loan Assn. of Anchorage due 1/1/75	6.00%	550,000.00	550,000.00	550,000.00	550,000.00	6.00%	33,000.00
500,000.00	First Federal Savings & Loan Assn. of Fairbanks due 10/12/73	6.00%	500,000.00	500,000.00	500,000.00	500,000.00	6.00%	30,000.00
600,000.00	First Federal Savings & Loan Assn. of Fairbanks due 6/1/74	6.00%	600,000.00	600,000.00	600,000.00	600,000.00	6.00%	36,000.00
150,000.00	First Federal Savings & Loan Assn. of Fairbanks due 12/5/74	7.50%	150,000.00	150,000.00	150,000.00	150,000.00	7.50%	11,250.00
400,000.00	Mc McKinley Mutual Savings Bank due 2/25/74	6.00%	400,000.00	400,000.00	400,000.00	400,000.00	6.00%	24,000.00
Sub-Total						\$ 4,750,000.00(1)		\$ 293,250.00
Total - Fixed Income Private Placements						\$24,146,446.74		\$ 1,740,183.52
CONVERTIBLE SECURITIES								
\$ 50,000.00	Convertible Bonds Ogden Corporation Bonds	5.00%	80.38	\$ 40,187.50	63.00	\$ 31,500.00	\$ (8,687.50)	6.48%
	Sub-Total			\$ 40,187.50		\$ 31,500.00	\$ (8,687.50)	\$ 2,500.00
Total - Convertible Securities						\$ 31,500.00		\$ 2,500.00

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Assets Owned
as of June 30, 1973

<u>Par Value or Number of Shares</u>	<u>Description</u>	<u>Coupon Rate or Annual Dividend</u>	<u>Average Unit Cost</u>	<u>Dollar Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Market Value Over Cost</u>	<u>Current** Annualized Income</u>	<u>Yield† at Cost</u>
COMMON STOCKS									
6,000	Aetna Life & Casualty Co.	\$ 1.76	64.92	\$ 389,488.30	65.915	\$ 393,750.00	\$ 4,260.70	\$ 10,560.00	2.67%
	Aluminum Company of America	1.94	51.95	519,491.00	582,500.00	63,009.00	19,400.00	3.47%	18,000.00
10,000	American Electric Power Co.	1.80	29.60	295,951.37	26.625	266,250.00	(25,701.37)	6.08%	42,000.00
	American Tel. & Tel. Co.	2.80	44.87	673,000.73	51.125	766,875.00	93,874.27	6.24%	24,000.00
15,000	Americo Steel Corporation	1.20	22.18	442,662.45	20.125	402,500.00	(41,162.45)	4.50%	2,150.00
20,000	Carrier Corporation	.43	25.80	128,999.50	20.050	100,000.00	(28,999.50)	1.67%	2,150.00
5,000	Crown Zellerbach Corporation	1.20	32.94	329,426.37	26.625	266,250.00	(61,126.37)	3.64%	12,000.00
10,000	E. I. DuPont	5.45	142.10	284,203.13	168.500	337,000.00	52,796.87	3.39%	4,260.00
2,000	Eastman Kodak Company	1.42	86.64	259,907.47	136.500	409,500.00	149,592.53	1.64%	17,280.00
3,000	Firestone Tire & Rubber Co.	.86	24.01	480,216.68	18.750	375,000.00	(105,216.68)	3.60%	14,000.00
20,000	Ford Motor Company	2.80	65.83	329,172.00	56.625	273,125.00	(56,047.00)	4.25%	12,000.00
5,000	General Cable Company	.80	16.71	250,607.00	9.000	135,000.00	(115,607.00)	2.99%	16,000.00
15,000	General Electric Company	1.40	63.06	630,609.52	57.375	573,750.00	(56,859.52)	2.22%	16,000.00
10,000	General Motors Corporation	4.55	80.10	1,201,647.79	66.500	997,500.00	(203,947.79)	5.68%	68,250.00
15,000	General Public Utilities	1.60	21.60	323,945.60	19.750	296,250.00	(27,695.60)	7.41%	24,000.00
15,000	General Telephone & Electric	1.60	41.63	145,711.60	29.125	101,937.50	(43,774.10)	3.84%	5,600.00
3,500	Goodyear Tire & Rubber Company	.92	27.17	271,994.38	22.625	226,250.00	(45,346.38)	3.38%	9,200.00
10,000	Gulf Oil Corporation	1.50	35.19	147,798.31	22.250	93,450.00	(54,368.31)	4.26%	6,300.00
4,200	Ingersoll-Rand Corporation	2.16	58.37	731,999.44	55.750	699,105.00	(32,994.47)	3.70%	27,086.40
12,540	Kraftsco Corporation	1.76	45.25	226,262.00	42.500	212,500.00	(13,762.00)	3.91%	8,840.00
5,000	Public Service Electric & Gas Co.	1.72	37.39	138,358.62	22.250	82,325.00	(56,033.62)	4.80%	6,364.00
2,700	Republic Steel Corporation	1.45	23.65	118,231.60	23.125	115,625.00	(2,606.60)	4.69%	7,250.00
5,000	S. Regis Paper Company	1.60	37.73	188,649.69	36.750	183,750.00	(4,899.69)	4.24%	8,090.00
	Southern California Edison	1.56	34.63	121,219.76	23.250	81,375.00	(39,864.76)	4.50%	21,000.00
3,500	U. S. Freight Company	1.40	30.13	451,901.64	17.500	262,500.00	(189,401.64)	4.65%	5,632.00
15,000	U. S. Gypsum Company	1.60	37.94	132,540.07	22.125	77,880.00	(55,660.07)	6.22%	28,000.00
3,520	Western Bancorporation	1.40	30.19	603,750.00	28.125	562,500.00	(41,250.00)	4.64%	12,000.00
20,000	Westinghouse Electric Corp.	.97	18.63	386,260.64	35.000	350,000.00	(36,260.64)	2.52%	9,720.00
10,900	Sub-Total			\$10,205,507.66	\$10,205,507.66	\$ 9,224,447.50	\$ 981,060.16	\$ 441,262.49	\$ 441,262.49
	Total - Common Stocks								
	Grand Total - Investments			\$73,465,710.27	\$71,828,840.21	\$11,616,870.04		\$1,720,447.01	

NOTES: This column displays yield to maturity calculated on the purchase price or remaining principal value. Percentage figures shown are net of service fees, discounts, or premiums paid.

This column reflects the projected annual income which would be received on all of the assets held as of June 30, 1973, assuming that there will be no changes in assets during the following year. Of course, there will be changes due to maturities, sales and swaps in these assets as well as the acquisition of additional assets throughout the year with monies received from cash flows. The purpose for including this information is to provide the reader with comparable data displayed in previous annual reports. See Time Weighted return analysis presented in the introduction.

- (1) The amounts shown as dollar cost of mortgages represent the remaining principal balances due.
- (2) Cost values and market values are assumed to be identical for fixed income private placements.

MARSH & McLENNAN

October 10, 1973

Mr. Joseph R. Henri
Commissioner of Administration
State of Alaska
Department of Administration
Pouch C
Juneau, Alaska 99801

Actuarial Status - Alaska Teachers Retirement System

Dear Commissioner Henri:

This is a brief statement to outline the actuarial status of the Alaska Teachers Retirement System.

The actuarial valuation which we perform each year with respect to the Alaska Teachers Retirement System has the following objectives:

- (1) To examine the status of funding of the System.
- (2) To develop contribution rates for each participating employer in the System which are adequate to support the benefits of the System.

Based upon the actuarial method and assumptions shown in Exhibit I, the Employer-State contribution level of 11.22% of covered pay is adequate to support the benefits of the System.

The funding status of the System can be shown as follows:

(1) Present value of all benefits earned to the last valuation date (June 30, 1972)	\$112,077,235
(2) Values of assets of the System	\$58,399,066
(3) Funding ratio ((2)/(1))	52.11%

This means that the assets of the System are sufficient to cover 52.11% of the liabilities for benefits earned to the date of the valuation. This reflects the improvement in the System enacted since its inception including a significant amendment effective July 1, 1973. The level of the funding ratio in and of itself is not so significant as is the progression of these ratios on a year-by-year basis.

In summary, my opinion would be that the funding progress of the System

MARSH & McLENNAN

Mr. Joseph R. Henri
Commissioner of Administration

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October 10, 1973

is satisfactory, and the current contribution levels are satisfactory to support the benefits of the System.

Respectfully submitted,

Norman S. Losk, FSA
Actuary

NSL:rs

Enclosures

EXHIBIT I

ACTUARIAL METHOD AND ASSUMPTIONS

I. Actuarial Method

The actuarial method used in this valuation is known as the Aggregate Method. Under this method, the Employer-State cost is determined as follows:

- (1) The present value of all benefits accrued and expected to be earned in the future are calculated, taking into account expected levels of mortality, turnover, disability and investment performance.
- (2) Such present value of benefits is reduced by the sum of:
 - (a) The assets of the fund, and
 - (b) The present value of future employee contributions (including arrearage contributions), taking into account the same items as enumerated in (1) above.

The remainder is the portion of the present value of future benefits to be funded by Employer-State contributions and is called the "Present Value of Future Contributions from the Employer and the State."

- (3) The Estimated Contribution from the Employer and the State is determined by multiplying the Present Value of Future Contributions for the Employer and the State by a factor which spreads that present value of contributions over 16 years.
- (4) The Contribution by the Employer and the State expressed as a percentage of salaries is then determined by dividing the Estimated Contribution by the total Member Salaries used in the valuation.

This method effectively spreads the portion of the total projected present value of benefits to be financed by future Employer-State contributions

over sixteen years. It has the advantage that the effect of actuarial gains and losses (which arise from actual experience that deviates from the actuarial assumptions used) is automatically spread over this period.

II. Actuarial Assumptions

- (1) Investment Yield: 5% per annum
- (2) Mortality: According to 1951 Group Annuity Mortality Table rates projected to 1956 by Projection "C". (Female mortality same as male mortality with ages set back 5 years.)
- (3) Rates of Separation from Service: Special Table
- (4) Rates of Disability: Special Table
- (5) Rate of Mortality after Disability: According to the 1956 Railway Retirement Board Tables
- (6) Rates of Salary Increase: Special Table
- (7) Normal Retirement Age: Earlier of age 60 with 15 years of service and 25 years of service at any age.
- (8) Asset Valuation: Cost basis

